



# ICD Global Sustainable Fund

Annual Report

30 June 2019

## **Fund Manager**

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## **Trustee**

**SCBMB TRUSTEE BERHAD** (1005793-T)

# CONTENTS

<b>1. FUND MANAGER'S REPORT</b>	<b>3</b>
Fund Name	3
Type of Fund	3
Category of Fund	3
Investment Objective	3
Distribution Policy	3
Breakdown of Unit Holdings By Size	3
Performance Benchmark	4
Fund Performance	4
Financial Performance	5
Average Total Return	6
Stock Market Review	7
Market Outlook and Investment Strategy	7
Asset Allocation of The Fund	8-9
Details of Distribution And Unit Split	9
Disclosure of Circumstances That Materially Affect The Interest of The Unitholder	9
Policy on Stockbroking, Rebates and Soft Commission	9
Purification	9
<b>2. TRUSTEE'S REPORT</b>	<b>10</b>
<b>3. STATEMENT BY MANAGER</b>	<b>11</b>
<b>4. INDEPENDENT AUDITORS' REPORT</b>	<b>12-13</b>
<b>5. SHARIAH ADVISOR'S REPORT</b>	<b>14</b>
<b>6. STATEMENT OF FINANCIAL POSITION</b>	<b>15</b>
<b>7. STATEMENT OF COMPREHENSIVE INCOME</b>	<b>16</b>
<b>8. STATEMENT OF CHANGES IN NET ASSET VALUE</b>	<b>17</b>
<b>9. STATEMENT OF CASH FLOWS</b>	<b>18</b>
<b>10. NOTES TO THE FINANCIAL STATEMENTS</b>	<b>19-43</b>
<b>11. CORPORATE INFORMATION</b>	<b>44</b>

# 1. FUND MANAGER'S REPORT

## FUND NAME

ICD Global Sustainable Fund ("the Fund")

## TYPE OF FUND

Growth & Income

## CATEGORY OF FUND

Shariah-compliant Equity

## INVESTMENT OBJECTIVE

To achieve long-term capital appreciation and income by investing in global markets.

## DISTRIBUTION POLICY

Subject to availability of income, distributions will be made on semi-annual basis.

All income distribution will be automatically reinvested in additional Units at the date of distribution, unless the Unit Holder specifically requests, in the application or in writing, for distributions to be made in cash via bank transfer. The Units will be reinvested based on the NAV per Unit on the first Business Day following the day the distribution is declared.

Any unclaimed distribution cheques will be automatically reinvested in additional Units at the expiry of the six-month validity period for cheques, based on the prevailing Net Asset Value (NAV) seven (7) Business Days after the validity period of the cheques.

## FOREIGN EXCHANGE RATE

All foreign securities and assets are converted into US Dollar ("US\$") based on the bid exchange rate quoted by Bloomberg at United Kingdom time 4.00 p.m. the same day.

## BREAKDOWN OF UNIT HOLDINGS BY SIZE

Units	No. of Unitholders	%	Unit holdings	%
1,000 to 50,000	9	64.29	114,048	0.29
50,001 to 100,000	0	0	0	0
100,001 to 500,000	1	7.14	125,281	0.31
500,001 to 1,000,000	0	0	0	0
1,000,001 & above	4	28.57	39,577,042	99.40
<b>Total</b>	<b>14</b>	<b>100.00</b>	<b>39,816,371</b>	<b>100.00</b>

# 1. FUND MANAGER'S REPORT *(continued)*

## PERFORMANCE BENCHMARK

MSCI ACWI Islamic Index (US\$) ("the Benchmark")

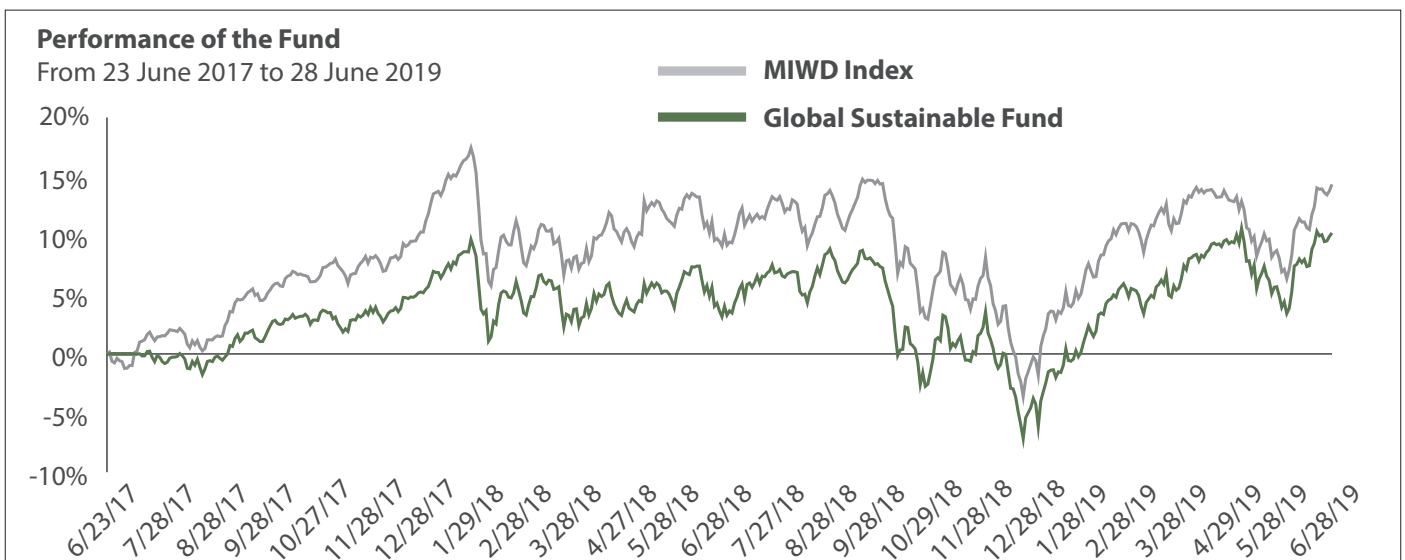
The benchmark is used as a yardstick to assess the performance of the Fund only. The risk profile of the Fund as well as ESG Criteria are different from that of the benchmark.

## FUND PERFORMANCE

From 29<sup>th</sup> June 2018 to 29<sup>th</sup> June 2019, ICD Global Sustainable Fund rose 5.96% compared with 3.83% for the MSCI ACWI Islamic Index. During the financial year, Industrials (+2.44%), Healthcare (+2.21%) and Consumer Staples (+2.07%) were the top return contributors to the Fund's performance whereas Materials and Real Estate lagged. The Fund is overweight Information Technology (by 9.25%) and Industrials (by 4.76%) and underweight Energy (by 16.53%), primarily due to the ESG nature of the Fund.

Among the stock holdings, Techtronic Industries, Novartis, and Edwards Lifesciences contributed meaningfully to returns whereas Alcoa, Valeo, and Infineon were among the detractors. Of note, Hutchison Port, LafargeHolcim, Siemens, Valeo, Fortune Brands, Alcoa, ATOS, Dow Inc, and DuPont are qualified as compliant in the portfolio. We hold roughly 11% cash in the portfolio (as of June 28th, 2019) compared with about 3% a year ago as we continue to look for attractive investment opportunities.

Given the performance during the period under review, we believe the Fund's objective is being met to provide investors with capital appreciation through long-term investments in Shariah-compliant equities.



Source: Bloomberg

Benchmark: MSCI ACWI Islamic Index. (US\$)

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# 1. FUND MANAGER'S REPORT *(continued)*

## FINANCIAL PERFORMANCE

	As at 30 June 2019	As at 30 June 2018
Net Asset Value (USD)	42,034,854	39,478,405
Units in Circulation (units)	39,816,371	38,888,207
Net Asset Value / unit (USD)	1.0557	1.0152
Highest NAV (USD)	1.0796	1.0969
Lowest NAV (USD)	0.9059	0.9825
Total Return	5.96%	4.02%
Capital growth	3.99%	1.52%
Income distribution	1.97%	2.50%
Final Distribution		
Gross Distribution/unit (USD)	0.020	0.025
Net Distribution/unit (USD)	0.020	0.025
Date of Distribution	27 June 2019	27 June 2018
Portfolio Composition		
Quoted Equity Securities	88.79%	97.23%
Other Liquid Assets	11.21%	2.77%
Management Expense Ratio	1.19%	1.04%
Portfolio Turnover Ratio	0.13 times	0.69 times
Official Launching Date	23 June 2017	23 June 2017

### Management Expense Ratio

The management expense ratio for the financial period is 1.19%

Management Expense Ratio is derived from the following calculation:

$$\text{MER} = \frac{(A+B+C+D+E+F+G)}{H} \times 100$$

A = Administration Fee

B = Distribution Fee

C = Trustee Fee

D = Performance Fee

E = Audit Fee

F = Tax Agent's Fee

G = Other Expenses

H = Average NAV of the Fund, calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is USD39,666,013.56

### Portfolio Turnover Ratio

The portfolio turnover ratio for the financial period is 0.13 times.

The portfolio turnover ratio is derived from the following calculation:

$$\frac{\left( \begin{array}{c} \text{Total acquisition for the financial period} \\ + \\ \text{Total disposal for the financial period} \end{array} \right) \div 2}{\text{Average NAV of the Fund for the financial period calculated on a daily basis}}$$

### Where:

total acquisition for the financial period = USD 3,338,881.68

total disposal for the financial period = USD 6,661,738.52

## 1. FUND MANAGER'S REPORT *(continued)*

### TOTAL RETURN (in %)

Total Return is based on NAV to NAV with distribution reinvested. Below is total return of the Fund as at 30 June 2019 since inception.

	1 July 2018 – 30 June 2019	23 June 2017 – 30 June 2018	Since Inception (23 June 2017 – 30 June 2019)
<b>The Fund</b>	<b>5.96%</b>	<b>4.02%</b>	<b>10.23%</b>
<b>MIWD Index</b>	<b>3.83%</b>	<b>10.97%</b>	<b>14.34%</b>

Note:

Total Return of the Fund is derived by this formula:

$$\left( \left[ \frac{\text{End of Period FY Current Year NAV per unit}}{\text{End of Period FY Previous Year NAV per unit}} \right] - 1 \right) \times 100$$

### AVERAGE TOTAL RETURN (in %)

Average Total Return is derived by the formula:

$$\frac{\text{Total Return}}{\text{Number of Years Under Review}}$$

Average Total Return for the Following Period Ended 30 June 2019.

	1 July 2018 – 30 June 2019	Since Inception (23 June 2017 – 30 June 2019)
<b>The Fund</b>	<b>5.96%</b>	<b>5.12%</b>
<b>MIWD Index</b>	<b>3.83%</b>	<b>7.17%</b>

Unit prices and return may fluctuate, past performance is not necessarily indicative of future performance.

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## 1. FUND MANAGER'S REPORT *(continued)*

### STOCK MARKET REVIEW

Global stocks continued their upward trend in the fiscal year 2019 though the performance was a bit choppy at times, driven by headlines around trade with China and a potential Fed rate cut or a lack thereof. In June 2019, President Trump met with his Chinese counterpart in Tokyo at the G20 summit, and both sides suggested talks would resume, and could potentially bring the trade issue to a resolution. President Trump also threatened to impose tariffs on Mexico tied to its immigration policy, which made investors uneasy once again. Separately, the Fed seems more inclined now to keep rates low and possibly reduce them to keep the economy going and given subdued inflation.

During the year, the US, UK, and the Eurozone markets did well, but Japan lagged on trade and Huawei related supply chain exposure. Naturally, Chinese stocks fell due to the above dynamics but ASEAN shares mostly rose as President Jokowi was reelected in Indonesia, Thailand held successful elections, and investors looked past the trade headlines and export impact related to that. The MSCI All Country World Index was up 6.32% in fiscal year 2019 in USD terms, and the MSCI Emerging Markets Index returned 1.21%.

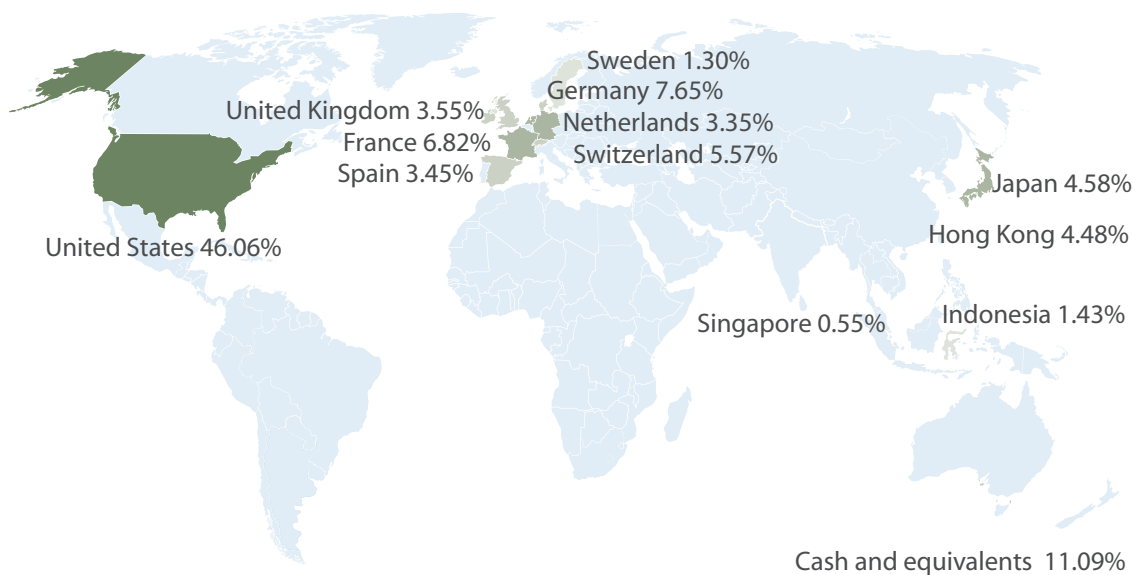
### MARKET OUTLOOK AND INVESTMENT STRATEGY

For the rest of 2019, we expect the global economic direction to be shaped by central banks' policies and the extent of the trade dispute resolution. Brexit and potential European slowdown are other issues worth noting. We believe our Funds are well-positioned for positive or negative developments given our focus on low debt, cash generative, high quality, sustainable companies led by excellent management teams. Such characteristics are defensive in the event of a downturn, while the low debt focus will also be an advantage in the event economies regain momentum. We have around 11% cash in the ICD Global Sustainable Fund and will continue to look for attractive investment opportunities

# 1. FUND MANAGER'S REPORT *(continued)*

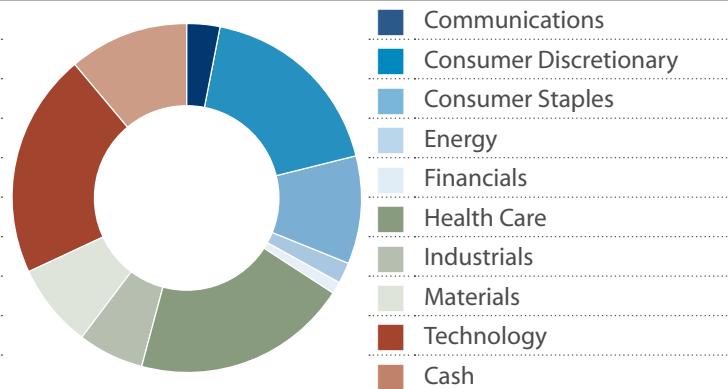
## ASSET ALLOCATION OF THE FUND

By Country	30 June 2019	30 June 2018
	% of NAV	% of NAV
Cash & Other Liquid Assets	11.21	2.77
France	6.82	8.04
Germany	7.65	9.95
Hong Kong	4.48	3.42
Indonesia	1.43	1.36
Japan	4.58	5.59
South Korea	-	1.93
Netherland	3.35	6.39
Singapore	0.55	0.72
Spain	3.45	3.50
Sweden	1.30	1.31
Switzerland	5.57	4.86
United Kingdom	3.55	3.81
United States	46.06	46.35
	100.00	100.00



Country and sector weightings are shown as a percentage of total net assets.

By Sector	30 June 2019	30 June 2018
	% of NAV	% of NAV
Cash & Other Liquid Assets	11.21	2.77
Communication	3.29	4.35
Consumer Discretionary	17.93	17.18
Consumer Staples	10.02	9.50
Financial	1.13	-
Health Care	19.82	19.45
Industrials	6.32	8.94
Material	7.58	12.78
Technology	20.75	23.35
Energy	1.95	1.68
	100	100.00



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## 1. FUND MANAGER'S REPORT (continued)

### ASSET ALLOCATION OF THE FUND (continued)

#### NAV Profile from 23 June 2017 to 30 June 2019

	30 June 2019 USD	30 June 2018 USD	% Change
Total NAV (Inclusive of Injection)	42,034,854	39,478,405	6.48
NAV/unit (Ex-Distribution)	1.0557	1.0152	3.99

#### Top Five Investments as at 30 June 2019

Stock	Weight
Intel	3.42%
Johnson & Johnson	2.98%
L'oreal	2.98%
SAP	2.94%
Techtronic	2.75%

### DETAILS OF DISTRIBUTION AND UNIT SPLIT

Financial Period	30 June 2019	30 June 2018
Date of Distribution	27 June 2019	27 June 2018
<b>Distribution per unit</b>		
Gross (USD)	0.020	0.025
Net (USD)	0.020	0.025
Net Asset Value before distribution (USD)	1.0729	1.0363
Less : distribution (USD)	(0.020)	(0.025)
Net Asset Value after distribution (USD)	1.0529	1.0113

No unit split were declared for the financial period ended 30 June 2019

### DISCLOSURE OF CIRCUMSTANCES THAT MATERIALLY AFFECT THE INTEREST OF THE UNITHOLDER

For the period under review, there were no circumstances that materially affect any interest of the unitholder.

### POLICY ON STOCKBROKING, REBATES, AND SOFT COMMISSION

The Fund Manager does not retain any rebate from, or otherwise share in any commission with, any broker/dealer in consideration for directing dealings in the investments of the Fund. Accordingly, any rebate or shared commission will be directed to the account of the Fund. The Fund Manager may direct portfolio trades to Saturna Brokerage Services, Inc., an affiliated brokerage firm.

### PURIFICATION

This is a voluntary provision due to non Shariah-compliant exposures of the Fund's holdings, i.e. riba-based loans and interest income. According to purification guidelines, as stipulated in the Prospectus, per unit amount comes to USD0.00226, if you owned units from inception to 30<sup>th</sup> June. Please use the example below to calculate your individual amount. You should channel your purification to charitable bodies of your choice.

#### Example:

The calculation: Units Owned x Purification Amount Per Unit = Total Due (USD)

If an investor holds 100,000 units of ICD Global Sustainable Fund since 1<sup>st</sup> July 2018, the calculation of amount to be purified as of 30<sup>th</sup> June 2019 would be 100,000 units x USD 0.00226/ unit = USD 226.

## 2. TRUSTEE'S REPORT

### TO THE UNITHOLDERS OF ICD Global Sustainable Fund

We have acted as Trustee for **ICD Global Sustainable Fund** ("the Fund") for the financial year ended 30 June 2019. To the best of our knowledge, for the year under review, **Saturna Sdn. Bhd.** ("the Manager") has operated and managed the Fund in accordance with the following:-

- a) limitations imposed on the investment powers of the Manager and the Trustee under the Deeds, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- b) the valuation/pricing for the Fund has been carried out in accordance with the Deed of the Fund and applicable regulatory requirements; and
- c) creation and cancellation of units for the Fund have been carried out in accordance with the Deed of the Fund and applicable regulatory requirements.
- d) The distribution of return for the year are tied to and reflect the objectives of the Fund.

For **SCBMB Trustee Berhad**

(Company No: 1005793T)

**Prasad A/L S Vijayasundram**

Chief Executive Officer

Kuala Lumpur, Malaysia

22 August 2019

### 3. STATEMENT BY MANAGER

We, **Monem A. Salam** and **Dato' Dr. Lee Chee Kuon**, being two of the directors of **Saturna Sdn. Bhd.**, do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Securities Commission's Guidelines on Unit Trust Funds in Malaysia so as to give a true and fair view of the financial position of **ICD Global Sustainable Fund** at 30 June 2019 and of its financial performance and cash flows for the financial year then ended on that date and comply with the requirements of the Deed.

On behalf of the Board in accordance with a resolution of the Board of Directors of the Manager,



**Monem Salam**  
Director, Saturna Sdn Bhd



**Dato' Dr. Lee Chee Kuon**  
Director, Saturna Sdn Bhd

26 August 2019

## 4. INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF ICD GLOBAL SUSTAINABLE FUND

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of ICD Global Sustainable Fund (the Fund"), which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in net asset value and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 43.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2019, and of its financial performance and its cash flows of the Fund for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence and Other Ethical Responsibilities

We are independent of the Fund in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for *Accountants' Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### Information Other than the Financial Statements and Auditors' Report Thereon

The Manager of the Fund is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibility of the Manager and Trustee for the Financial Statements

The Manager of the Fund is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager of the Fund is also responsible for such internal control as the Manager of the Fund determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error. The Trustee is responsible for ensuring that the Manager of the Fund maintains proper accounting and other records as are necessary to enable fair presentation of these financial statements.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund'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 the Manager either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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## **4. INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF ICD GLOBAL SUSTAINABLE FUND** *(continued)*

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **OTHER MATTERS**

This report is made solely to the Unitholders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Crowe Malaysia PLT**  
LLP0018817-LCA & AF 1018  
Chartered Accountants

**Lee Kok Wai**  
02760/06/2020 J  
Chartered Accountant

Kuala Lumpur  
28 August 2019

## 5. SHARIAH ADVISOR'S REPORT

We have acted as the Shariah Advisor of ICD Global Sustainable Fund ("the Fund") for the financial year ended 30 June 2019. Our responsibility is to ensure that the procedures and processes employed by Saturna Sdn Bhd are in accordance with Shariah principles.

In our opinion, Saturna Sdn Bhd has managed and administered the Fund in accordance with Shariah principles and complied with applicable guidelines, rulings and decisions issued by the Securities Commission pertaining to Shariah matters for the financial period ended 30 June 2019.

We also confirm that the investment portfolio of the Fund comprises securities which have been classified as Shariah compliant by the Shariah Advisory Council (SAC) of the SC. For securities not certified by the SAC of the SC, we have reviewed the said securities and opine that these securities are designated as Shariah compliant.

Thank you.

Yours sincerely,

For **AMANIE ADVISORS SDN BHD (684050-H)**

**Datuk Dr. Mohd Daud Bakar**

Chief Executive Officer

Kuala Lumpur, Malaysia

28 August 2019

## 6. STATEMENT OF FINANCIAL POSITION

### Opinion

In the opinion of the Fund Manager, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards and the requirements of the Securities Commission's Guidelines on Unit Trust Funds so as to give a true and fair view of the financial position of the Fund as at 30 June 2019 and of its financial performance, the changes in net asset value and the cash flows of the Fund for the year ended.

	Note	As at 30 June 2019 USD	As at 30 June 2018 USD
<b>Investments</b>			
Financial asset at fair value through profit or loss	4	37,321,370	38,384,758
Short-term Shariah-based deposits	5	2,543,589	823,083
		<b>39,864,959</b>	<b>39,207,841</b>
<b>Other Assets</b>			
Amount due from stockbrokers		-	-
Amount due from management company		-	-
Amount due from Distributors		1,316	-
Cash at bank		2,391,399	441,267
Other receivables		57,101	33,939
		<b>2,449,816</b>	<b>475,206</b>
<b>Total Assets</b>		<b>42,314,775</b>	<b>39,683,047</b>
<b>Liabilities</b>			
Amount due to manager		272,741	187,671
Amount due to Unitholder Capital		1,316	-
Amount due to trustee		1,744	1,649
Other payables and accruals		4,120	15,322
		<b>279,921</b>	<b>204,642</b>
<b>Net asset value attributable to unit holders</b>	<b>6</b>	<b>42,034,854</b>	<b>39,478,405</b>
<b>Total equity and liabilities</b>		<b>42,314,775</b>	<b>39,683,047</b>
<b>Number of units in circulation</b>	<b>6</b>	<b>39,816,371</b>	<b>38,888,207</b>
<b>NAV per unit, ex-distribution</b>		<b>1.0557</b>	<b>1.0152</b>

## 7. STATEMENT OF COMPREHENSIVE INCOME

For the financial year from 1 July 2018 to 30 June 2019

	Note	1 July 2018 to 30 June 2019 USD	23 June 2017 to 30 June 2018 USD
<b>Income</b>			
Profit from short-term Shariah-based deposits		41,464	55,059
Gross dividend income		772,104	765,347
Net loss on foreign exchange		(17,774)	(63,990)
Net gain on financial assets at fair value through profit or loss	4	2,296,277	1,230,313
		<b>3,092,071</b>	<b>1,986,729</b>
<b>Less: Expenses</b>			
Administration fee	7	99,134	95,530
Distribution fee	7	99,134	95,530
Performance fee	7	238,402	145,660
Trustee's fee	8	19,827	19,106
Auditors' fee		3,150	3,230
Tax agent's fee		1,200	750
Other expenses		9,542	31,133
		<b>470,389</b>	<b>390,939</b>
<b>Net profit before taxation &amp; purification</b>			
		<b>2,621,682</b>	<b>1,595,790</b>
Purification		(64,383)	-
<b>Net profit before taxation &amp; after purification</b>		<b>2,557,299</b>	<b>1,595,790</b>
Taxation	9	(181,989)	(170,354)
<b>Net profit after taxation &amp; purification</b>		<b>2,375,310</b>	<b>1,425,436</b>
<b>Net profit after taxation is made up as follows:</b>			
Realised income		<b>689,540</b>	<b>1,226,814</b>
Unrealised income, net		<b>1,685,770</b>	<b>198,622</b>
		<b>2,375,310</b>	<b>1,425,436</b>
<b>Distribution during the financial year/period</b>			
	<b>11</b>	<b>781,483</b>	<b>948,751</b>
Gross distribution per unit		<b>0.020</b>	<b>0.025</b>
Net distribution per unit		<b>0.020</b>	<b>0.025</b>



## 8. STATEMENT OF CHANGES IN NET ASSET VALUE

For the financial year from 1 July 2018 to 30 June 2019

	Unitholders' Capital USD	Retained Earnings USD	Total Net Asset-Value USD
<b>Net asset value as at 1 July 2018</b>	39,001,720	476,685	39,478,405
Movement due to creation / (cancellation) of units during the period:			
Creation of units from applications	181,139	-	181,139
Creation of units from distribution	781,483	-	781,483
Cancellation of units	-	-	-
Total comprehensive Income for the financial year	-	2,375,310	2,375,310
Distribution	-	(781,483)	(781,483)
<b>Net asset value as at 30 June 2019</b>	<b>39,964,342</b>	<b>2,070,512</b>	<b>42,034,854</b>

	Unitholders' Capital USD	Retained Earnings USD	Total Net Asset-Value USD
<b>Net asset value as at 23rd June 2017 (Date of launch)</b>	-	-	-
Movement due to creation / (cancellation) of units during the period:			
Creation of units from applications	38,053,982	-	38,053,982
Creation of units from distribution	948,751	-	948,751
Cancellation of units	(1,013)	-	(1,013)
Total comprehensive Income for the financial period	-	1,425,436	1,425,436
Distribution	-	(948,751)	(948,751)
<b>Net asset value as at 30 June 2018</b>	<b>39,001,720</b>	<b>476,685</b>	<b>39,478,405</b>

## 9. STATEMENT OF CASH FLOWS

For the financial year from 1 July 2018 to 30 June 2019

	1 July 2018 to 30 June 2019	23 June 2017 to 30 June 2018
	USD	USD
<b>Cash flows for/(from) operating and Investing activities</b>		
Proceeds from sale of quoted investments	6,681,339	7,145,559
Purchase of quoted investments	(3,339,590)	(44,349,742)
Net dividend received	576,453	556,784
Profit from short-term Shariah-based deposits received	40,832	55,015
Administration fee paid	(98,655)	(92,524)
Audit fee paid	(3,386)	-
Performance fee paid	(153,902)	-
Purification Paid	(75,725)	-
Distribution fee paid	(99,043)	(75,241)
Trustee's fee paid	(19,731)	(17,936)
Tax Agent fee paid	(1,039)	-
Payment for other fees and expenses	(18,054)	(10,534)
Tax Recoverable	-	-
<b>Net cash for/(from) operating activities and investing activities</b>	<b>3,489,499</b>	<b>(36,788,619)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of units	181,139	38,053,982
Payments for cancellation of units	-	(1,013)
<b>Net cash from financing activities</b>	<b>181,139</b>	<b>38,052,969</b>
<b>Net increase /(decrease) in cash and cash equivalents</b>	<b>3,670,638</b>	<b>1,264,350</b>
Cash and cash equivalents at beginning of the financial year/ period	1,264,350	-
<b>Cash and cash equivalents at end of the financial year/ period</b>	<b>4,934,988</b>	<b>1,264,350</b>
<b>Cash and cash equivalents comprise:</b>		
Cash at bank	2,391,399	441,267
Short-term Shariah-based deposits	2,543,589	823,083
	<b>4,934,988</b>	<b>1,264,350</b>

## 10. NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

#### 1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

ICD GLOBAL SUSTAINABLE FUND (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Trust Deed dated 7 March 2017 (hereinafter referred to as “the Deed”) between the Manager, Saturna Sdn. Bhd. and the Trustee, SCBMB Trustee Berhad.

The principal activity of the Fund is to invest in a diversified portfolio of Shariah-compliant equities across global markets. The objective of the Fund is to provide long-term capital growth and current income. The Fund’s investments comply with Shariah requirements as prescribed by its Shariah Adviser. The Fund was launched on 23 June 2017 and will continue its operations until terminated by the Trustee as provided under Part 12 of the Trust Deed.

The Manager, Saturna Sdn. Bhd. is principally engaged in funds management. The Manager is incorporated in Malaysia.

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the directors on 28 August 2019.

#### 2. BASIS OF PREPARATION

The financial statements of the Fund are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”) and International Financial Reporting Standards.

2.1 During the current financial year, the Fund has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):

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##### **MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

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MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)

MFRS 15 Revenue from Contracts with Customers

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Amendments to MFRS 15: Effective Date of MFRS 15

Amendments to MFRS 15: Clarifications to MFRS 15 ‘Revenue from Contracts with Customers’

Amendments to MFRS 140 – Transfers of Investment Property

Annual Improvements to MFRS Standards 2014 – 2016 Cycles

- Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters
  - Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value
- 

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Fund’s financial statements.

*Continued on next page.*

## 10. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 2. BASIS OF PREPARATION *(continued)*

2.2 The Fund has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial year:

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Fund.

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## 10. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statement of financial position when the Fund has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Fund has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statement of financial position are disclosed in the individual policy statement associated with each item.

#### **(a) Financial Assets**

All recognised financial assets are measured subsequently in their entirety at either amortised or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

##### Debt Instruments

##### *(i) Amortised Cost*

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

##### *(ii) Fair Value through Other Comprehensive Income*

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

##### *(iii) Fair Value through Profit or Loss (FVTPL)*

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The fund reclassifies debt instruments when and only when its business model for managing those assets change.

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## 10. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### 3.1 FINANCIAL INSTRUMENTS *(continued)*

##### **(a) Financial Assets *(continued)***

###### Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Company has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Fund's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

##### **(b) Financial Liabilities**

###### *(i) Financial Liabilities at Fair Value through Profit or Loss*

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

###### *(ii) Other Financial Liabilities*

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

###### Accounting Policies Applied Until 30 June 2018

The Fund has applied MFRS 9 retrospectively but has elected not to restate comparative information of its financial instruments. As a result, the comparative information of the Fund's financial assets continues to be accounted for in accordance with the previous accounting policies as summarised below:

- Financial assets were designated at fair value through profit or loss when the financial asset was either held for trading or was designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Financial assets at fair value through profit or loss were stated at fair value at each reporting date with any gain or loss arising on remeasurement recognised in profit or loss.
- Unquoted trade receivables and other receivables with fixed or determinable payments were classified as loans and receivables financial assets, measured at amortised cost using the effective interest method, less any impairment loss. Interest income was recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

*Continued on next page.*

## 10. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### 3.2 IMPAIRMENT

##### *(a) Impairment of Financial Assets*

The Fund recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Fund in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at the original effective interest rate.

For all other financial instruments, the Fund recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Fund measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Fund recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

##### Accounting Policy Applied Until 30 June 2018

The Fund has applied MFRS 9 retrospectively but has elected not to restate comparative information of its financial instruments. As a result, the comparative information of the Fund's financial assets continues to be accounted for in accordance with the previous accounting policies as summarised below:

- The Fund assessed at the end of each reporting period whether there was objective evidence that a financial asset was impaired. Impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that events had an impact on the estimated future cash flows of the financial asset that could be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets are impaired.

#### 3.3 CLASSIFICATION OF REALISED AND UNREALISED GAINS AND LOSSES

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

Realised gains and losses on disposals of financial instruments classified as part of 'at fair value through profit or loss' are calculated using weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin account for such instruments).

#### 3.4 FUNCTIONAL AND FOREIGN CURRENCIES

##### *(a) Functional and Presentation Currency*

The financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates ("the functional currency"). The financial statements are presented in United States Dollar ("USD"), which is also the Fund's functional currency.

##### *(b) Foreign Currency Transactions and Balances*

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

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## 10. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### 3.5 UNITHOLDERS' CONTRIBUTION

The Unitholders' contributions to the Fund meet the definition of puttable instruments classified as equity instruments.

#### 3.6 DIVIDEND DISTRIBUTION

Dividend distributions are at the discretion of the Fund. A dividend to the Fund's Unitholders is accounted for as a deduction from realised reserves except where dividend is sourced out of distribution equalisation which is recognised as a liability in the period in which it is approved.

#### 3.7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

#### 3.8 INCOME

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

Dividend income is recognised when the Fund's right to receive payment is established.

Profit income from deposits is recognised on an accrual basis using the effective profit method.

#### 3.9 INCOME TAX

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

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

No deferred tax is recognised as there are no material temporary differences.

#### 3.10 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

No major judgements have been made by the Manager of the Fund in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next year.

#### 3.11 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting used by the Manager of the Fund. The Manager of the Fund is responsible for allocating resources and assessing performance of the operating segments.



## 10. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### 3.12 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:

**Level 1:** Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

**Level 2:** Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

**Level 3:** Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

### 4. INVESTMENTS

	2019 USD	2018 USD
<b>Financial assets at FVTPL</b>		
<b>Quoted Investments</b>	<b>37,321,370</b>	<b>38,384,758</b>

All of the investments of the Fund are classified as financial assets at FVTPL.

	2019 USD	2018 USD
Net gain/(loss) on financial assets at FVTPL comprised:		
Realised gain on disposals	610,507	1,031,691
Unrealised changes in fair value	1,685,770	198,622
	<b>2,296,277</b>	<b>1,230,313</b>

## 10. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 4. INVESTMENTS *(continued)*

Financial Assets held for trading as at 30 June 2019 are as detailed below:

2019	Quantity (Units)	Cost USD	Market Value USD	% of NAV
<b>France</b>				
<b>Consumer Discretionary</b>				
Valeo*	15,000	1,083,486	487,334	1.16
<b>Consumer Staples</b>				
L'Oreal	4,400	935,898	1,252,073	2.98
<b>Health Care</b>				
Essilor International SA	5,600	738,578	729,978	1.74
<b>Technology</b>				
ATOS SE *	3,500	377,327	292,309	0.70
Worldline SA	1,400	120,816	101,783	0.24
		<b>498,143</b>	<b>394,092</b>	<b>0.94</b>
<b>Germany</b>				
<b>Consumer Discretionary</b>				
Adidas AG	2,500	536,163	771,044	1.83
<b>Industrial</b>				
Siemens AG *	5,000	697,811	594,116	1.41
<b>Technology</b>				
Infineon Technologies AG	35,000	784,626	618,255	1.47
SAP SE	9,000	942,900	1,234,625	2.94
		<b>1,727,526</b>	<b>1,852,880</b>	<b>4.41</b>
<b>Hong Kong</b>				
<b>Consumer Discretionary</b>				
MTR Corp Ltd	74,400	427,273	501,049	1.19
Techtronic Co. Ltd	150,800	762,480	1,154,579	2.75
		<b>1,189,753</b>	<b>1,655,628</b>	<b>3.94</b>
<b>Technology</b>				
Tencent Holdings	5,000	227,802	225,722	0.54
<b>Indonesia</b>				
<b>Communications</b>				
Telekomunikasi Indonesia ADR	20,600	714,578	602,344	1.43
<b>Japan</b>				
<b>Health Care</b>				
Astellas Pharma	59,100	724,620	840,920	2.00
<b>Material</b>				
Kansai Paint Co., Ltd	31,600	745,829	661,702	1.57
<b>Technology</b>				
Alps Electric Co., Ltd	25,300	719,250	425,888	1.01

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## 10. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 4. INVESTMENTS *(continued)*

Financial Assets held for trading as at 30 June 2019 are as detailed below:

2019	Quantity (Units)	Cost USD	Market Value USD	% of NAV
<b>Netherlands</b>				
<b>Health Care</b>				
Koninklijke Philips NV	20,500	752,427	889,234	2.12
<b>Material</b>				
Akzo Nobel NV	3,644	334,411	342,088	0.81
<b>Technology</b>				
STMicroelectronics NV	10,000	227,248	177,212	0.42
<b>Singapore</b>				
<b>Industrial</b>				
Hutchison Port Holdings Trust*	1,009,000	480,965	232,070	0.55
<b>Spain</b>				
<b>Consumer Discretionary</b>				
Industria de Diseno Textil SA	21,000	817,015	630,978	1.50
<b>Energy</b>				
Siemens Gamesa Renewable Energy	49,455	903,206	821,347	1.95
<b>Sweden</b>				
<b>Industrials</b>				
Assa Abloy AB	24,300	529,899	548,555	1.30
<b>Switzerland</b>				
<b>Consumer Staples</b>				
Nestle SA	6,000	511,757	620,698	1.48
<b>Health Care</b>				
Alcon Inc	1,920	92,023	118,474	0.28
Novartis AG	9,600	709,750	876,569	2.09
		801,773	995,043	2.37
<b>Materials</b>				
Lafarge Holcim Ltd *	14,800	873,591	722,199	1.72
<b>United Kingdom</b>				
<b>Consumer Staples</b>				
Associated British Foods PLC	19,400	730,287	606,604	1.44
<b>Health Care</b>				
Hikma Pharmaceuticals	40,500	745,313	885,375	2.11

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## 10. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 4. INVESTMENTS *(continued)*

Financial Assets held for trading as at 30 June 2019 are as detailed below:

2019	Quantity (Units)	Cost USD	Market Value USD	% of NAV
<b>United States of America</b>				
<b>Communication</b>				
Alphabet, Class A	200	215,694	216,560	0.52
Booking Holdings	300	600,097	562,414	1.34
		<b>815,791</b>	<b>778,974</b>	<b>1.86</b>
<b>Consumer Discretionary</b>				
Alaska Air	8,000	568,432	511,280	1.22
Fortune Brands Home & Security *	9,000	534,054	514,170	1.22
Genuine Parts	8,600	723,416	890,788	2.12
Lowe's	1,000	113,901	100,910	0.24
Ross Stores	3,000	234,292	297,360	0.71
Stanley Black & Decker	4,000	639,369	578,440	1.38
TJX Companies	20,800	733,026	1,099,904	2.61
		<b>3,546,490</b>	<b>3,992,852</b>	<b>9.50</b>
<b>Consumer Staples</b>				
Church & Dwight	9,000	462,273	657,540	1.56
PepsiCo	3,000	333,728	393,390	0.94
Procter & Gamble	6,200	542,616	679,830	1.62
		<b>1,338,617</b>	<b>1,730,760</b>	<b>4.12</b>
<b>Financial</b>				
Duke Realty	15,000	458,984	474,150	1.13
<b>Health Care</b>				
Bristol-Myers Squibb	15,000	938,832	680,250	1.62
Edwards Lifesciences	5,700	657,669	1,053,018	2.51
Johnson & Johnson	9,000	1,183,597	1,253,520	2.98
Pfizer	23,000	768,987	996,360	2.37
		<b>3,549,085</b>	<b>3,983,148</b>	<b>9.48</b>
<b>Industrials</b>				
TE Connectivity	8,500	808,391	814,130	1.94
Trimble	10,500	389,552	473,655	1.12
		<b>1,197,943</b>	<b>1,287,785</b>	<b>3.06</b>
<b>Material</b>				
Alcoa Corp *	15,600	567,873	365,196	0.87
Corteva Inc	1,833	59,842	54,202	0.13
Dow Inc *	1,833	118,847	90,385	0.22
DuPont De Nemours *	1,833	183,577	137,603	0.33
PPG Industries	7,000	788,426	816,970	1.93
		<b>1,718,565</b>	<b>1,464,356</b>	<b>3.48</b>

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## 10. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 4. INVESTMENTS *(continued)*

Financial Assets held for trading as at 30 June 2019 are as detailed below:

2019	Quantity (Units)	Cost USD	Market Value USD	% of NAV
<b><i>United States of America (continued)</i></b>				
<b>Technology</b>				
Adobe Inc	500	127,380	147,325	0.35
Cisco Systems	7,000	308,305	383,110	0.91
HP	29,900	550,633	621,621	1.48
Intel	30,000	1,389,648	1,436,100	3.42
Microsoft	6,000	625,922	803,760	1.91
NXP Semiconductors	7,000	759,797	683,270	1.63
Qualcomm	7,000	396,101	532,490	1.27
Salesforce.com	4,500	411,125	682,785	1.62
Xilinx	3,000	349,977	353,760	0.84
		<b>4,918,888</b>	<b>5,644,221</b>	<b>13.43</b>
<b>Total Quoted Equity Securities</b>		<b>35,791,692</b>	<b>37,321,370</b>	<b>88.79</b>

\* These securities are Qualified Compliant<sup>1</sup> as of 30th June 2019.

<sup>1</sup> "Qualified Compliant" Shariah status refers to stocks which are reclassified as Shariah non-compliant (due to changes in financial position) and are out-of-the-money. The Fund Manager is allowed to hold the security on a temporary basis.

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## 10. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 4. INVESTMENTS *(continued)*

Financial Assets held for trading as at 30 June 2018 are as detailed below:

2018	Quantity (Units)	Cost USD	Market Value USD	% of NAV
<b>France</b>				
<b>Consumer Discretionary</b>				
Valeo	15,000	1,083,486	820,061	2.08
<b>Consumer Staples</b>				
L'Oreal	4,400	935,898	1,086,642	2.75
<b>Health Care</b>				
Essilor International SA	5,600	738,578	790,565	2.00
<b>Technology</b>				
ATOS SE	3,500	498,143	477,960	1.21
<b>Germany</b>				
<b>Consumer Discretionary</b>				
Adidas AG	2,500	536,163	545,744	1.38
<b>Industrial</b>				
Siemens AG	5,000	697,811	661,023	1.67
<b>Material</b>				
Linde AG	3,800	754,847	793,589	2.01
<b>Technology</b>				
Infineon Technologies AG	35,000	784,626	892,165	2.26
SAP SE	9,000	942,900	1,039,876	2.63
		<b>1,727,526</b>	<b>1,932,041</b>	<b>4.89</b>
<b>Hong Kong</b>				
<b>Consumer Discretionary</b>				
MTR Corp Ltd	74,400	427,273	411,537	1.04
Techtronic Industries	150,800	762,480	840,864	2.13
		<b>1,189,753</b>	<b>1,252,401</b>	<b>3.17</b>
<b>Technology</b>				
Tencent Holdings	2,000	90,070	100,381	0.25
<b>Indonesia</b>				
<b>Communications</b>				
Telekomunikasi Indonesia ADR	20,600	714,578	535,806	1.36
<b>Japan</b>				
<b>Health Care</b>				
Astellas Pharma	59,100	724,620	901,064	2.28
<b>Material</b>				
Kansai Paint Co., Ltd	31,600	745,829	656,646	1.66
<b>Technology</b>				
Alps Electric Co., Ltd	25,300	719,250	649,971	1.65
<b>Korea</b>				
<b>Communications</b>				
SK Telecom ADR	32,700	840,901	762,564	1.93

*Continued on next page.*

## 10. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 4. INVESTMENTS *(continued)*

Financial Assets held for trading as at 30 June 2018 are as detailed below:

2018	Quantity (Units)	Cost USD	Market Value USD	% of NAV
<b>Netherlands</b>				
<b>Health Care</b>				
Koninklijke Philips NV	20,500	752,427	871,920	2.21
<b>Material</b>				
Akzo Nobel NV	4,100	370,907	351,018	0.89
<b>Technology</b>				
ASML Holding NV	6,000	877,708	1,188,930	3.01
STMicroelectronics NV	5,000	122,028	111,572	0.28
		<b>999,736</b>	<b>1,300,502</b>	<b>3.29</b>
<b>Singapore</b>				
<b>Industrial</b>				
Hutchison Port Holdings Trust	1,009,000	480,965	282,520	0.72
<b>Spain</b>				
<b>Consumer Discretionary</b>				
Industria de Diseno Textil	21,000	817,015	717,492	1.82
<b>Energy</b>				
Siemens Gamesa Renewable Energy	49,455	903,206	664,386	1.68
<b>Sweden</b>				
<b>Industrials</b>				
Assa Abloy AB-B	24,300	529,898	518,194	1.31
<b>Switzerland</b>				
<b>Consumer Staples</b>				
Nestle SA	6,000	511,757	465,168	1.18
<b>Health Care</b>				
Novartis AG	9,600	801,773	728,590	1.85
<b>Materials</b>				
Lafarge Holcim Ltd-Reg	14,800	873,591	721,871	1.83
<b>United Kingdom</b>				
<b>Consumer Staples</b>				
Associated British Foods PLC	19,400	730,287	700,847	1.78
<b>Health Care</b>				
Hikma Pharmaceuticals	40,500	745,313	802,091	2.03
<b>United States of America</b>				
<b>Communication</b>				
Alphabet, Class A	100	107,205	112,919	0.29
Booking Holdings	150	312,968	304,063	0.77
		<b>420,173</b>	<b>416,982</b>	<b>1.06</b>

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## 10. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 4. INVESTMENTS *(continued)*

Financial Assets held for trading as at 30 June 2018 are as detailed below:

2018	Quantity (Units)	Cost USD	Market Value USD	% of NAV
<b>United States of America <i>(continued)</i></b>				
<b>Consumer Discretionary</b>				
Alaska Air	8,000	568,432	483,120	1.22
Fortune Brands Home & Security	9,000	534,054	483,210	1.22
Genuine Parts	8,600	723,416	789,394	2.00
Ross Stores	2,000	149,112	169,500	0.43
Stanley Black & Decker	4,000	639,369	531,240	1.35
TJX Companies	10,400	733,026	989,872	2.51
		<b>3,347,409</b>	<b>3,446,336</b>	<b>8.73</b>
<b>Consumer Staples</b>				
Church & Dwight	9,000	462,273	478,440	1.21
Mondelez International	13,000	552,549	533,000	1.35
Procter & Gamble	6,200	542,616	483,972	1.23
		<b>1,557,438</b>	<b>1,495,412</b>	<b>3.79</b>
<b>Health Care</b>				
Bristol-Myers Squibb	15,000	938,832	830,100	2.10
Edwards Lifesciences	5,700	657,669	829,749	2.10
Johnson & Johnson	9,000	1,183,597	1,092,060	2.77
Pfizer	23,000	768,987	834,440	2.11
		<b>3,549,085</b>	<b>3,586,349</b>	<b>9.08</b>
<b>Industrials</b>				
Johnson Controls International	6,000	227,228	200,700	0.51
TE Connectivity	8,500	808,391	765,510	1.94
Trimble	5,000	172,705	164,200	0.42
Union Pacific	6,600	871,545	935,088	2.37
		<b>2,079,869</b>	<b>2,065,498</b>	<b>5.24</b>
<b>Material</b>				
Air Products & Chemicals	4,500	668,035	700,785	1.78
Alcoa Corp	15,600	567,873	731,328	1.85
DowDuPont	5,500	362,285	362,560	0.92
PPG Industries	7,000	788,426	726,110	1.84
		<b>2,386,619</b>	<b>2,520,783</b>	<b>6.39</b>
<b>Technology</b>				
CA	26,200	903,820	934,030	2.37
Cisco Systems	7,000	308,305	301,210	0.76
HP	29,900	550,633	678,431	1.72
Intel	30,000	1,389,648	1,491,300	3.78
Microsoft	2,000	199,187	197,220	0.50
NXP Semiconductors	5,000	568,318	546,350	1.38
Salesforce.com	4,500	411,125	613,800	1.55
		<b>4,331,036</b>	<b>4,762,341</b>	<b>12.06</b>
<b>Total Quoted Equity Securities</b>		<b>38,185,957</b>	<b>38,384,758</b>	<b>97.23</b>
<b>Total Financial Assets at FVTPL</b>		<b>38,185,957</b>	<b>38,384,758</b>	<b>97.23</b>



## 10. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 5. SHORT-TERM SHARIAH-BASED DEPOSITS

Short-term Shariah-based deposits bore a weighted average effective profit rate of 1.85% (2018 - 1.61%) per annum at the end of the reporting period. The short-term Shariah-based deposits had maturity periods ranging from 7 to 33 days (2018 - 8 to 32 days).

### 6. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

	Note	2019 USD	2018 USD
Unitholders' contribution	(a)	39,964,342	39,001,720
Retained earnings			
Realised reserve	(b)	186,120	278,063
Unrealised reserve	(c)	1,884,392	198,622
		<b>42,034,854</b>	<b>39,478,405</b>

#### (a) Unitholders' Contribution

	2019		2018	
	No. Of Units	USD	Number of Units	USD
At beginning of the financial year	38,888,207	39,001,720	-	-
Creation of units from applications	185,944	181,139	37,951,057	38,053,982
Creation of units from distribution	742,220	781,483	938,150	948,751
Cancellation of units	-	-	(1,000)	(1,013)
At end of the financial year	<b>39,816,371</b>	<b>39,964,342</b>	<b>38,888,207</b>	<b>39,001,720</b>

#### (b) Realised-Distributable

	2019 USD	2018 USD
At beginning of the financial year	278,063	-
Net income after tax	2,375,310	1,425,436
Dividend Distribution	(781,483)	(948,751)
Net unrealised gain transferred to unrealised reserve	(1,685,770)	(198,622)
At end of the financial year	<b>186,120</b>	<b>278,063</b>

#### (c) Unrealised - Non-Distributable

	2019 USD	2018 USD
At beginning of the financial year	198,622	-
Net unrealised gain/(loss) transferred to unrealised reserve	1,685,770	198,622
At end of the financial year	<b>1,884,392</b>	<b>198,622</b>

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## 10. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 7. MANAGER'S FEE

The Manager is entitled to receive an administrative fee of 0.25% per annum of the NAV of the Fund. The fee is accrued daily and paid monthly out of the Fund.

The Manager is also entitled to a performance fee from the daily increase in the NAV of the Fund. The performance fee is 10% of the amount by which the NAV cumulatively increases or decreases each day in the calendar year.

The Fund reimburses The Manager up to 0.25% of the average Net Assets Value per year for its marketing and distribution expenses.

### 8. TRUSTEE'S FEE

Trustee's fee is computed on a daily basis at 0.05% per annum of the NAV of the Fund.

### 9. INCOME TAX EXPENSE

	1 July 2018 to 30 June 2019 USD	23 June 2017 to 30 June 2018 USD
<b>Current tax expenses:</b>		
Withholding tax	181,989	170,354

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

	1 July 2018 to 30 June 2019 USD	23 June 2017 to 30 June 2018 USD
Net income before taxation	2,557,299	1,595,790
Tax at the Malaysian statutory tax rate of 24%	613,752	382,990
<b>Tax effects of:</b>		
Non-taxable income	(614,066)	(387,913)
Non-deductible expenses	314	4,923
Investment income subject to withholding tax	181,989	170,354
Tax expense for the financial year/period	181,989	170,354

### 10. UNITS HELD BY RELATED PARTIES

	2019		2018	
	Number of Units	Value at NAV USD	Number of Units	Value at NAV USD
Director of the Manager	10,407	10,987	10,194	10,349
Holding Company of the Manager	1,046,185	1,104,476	1,024,721	1,040,296
	1,056,592	1,115,463	1,034,915	1,050,645

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## 10. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 11. DISTRIBUTION

#### 2019

Distribution declared on 27 June 2019 to members is distributed from the following sources:

	<b>USD</b>
Profit from Short-term Shariah-based deposits	40,814
Dividend income	772,104
Net realised gain on sale of investments	610,507
Net realised loss on foreign exchange	(18,523)
Prior financial year's realised income	278,063
	<b>1,682,965</b>
Less: Expenses	<b>(706,562)</b>
Realised income available for distribution	<b>976,403</b>
Distribution during the financial period	<b>781,483</b>
Gross distribution per unit	<b>0.020</b>
Net distribution per unit	<b>0.020</b>

#### 2018

Distribution declared on 27 June 2018 to members is distributed from the following sources:

	<b>USD</b>
Profit from short-term Shariah-based deposits	54,922
Dividend income	757,537
Net realised gain on sale of investments	1,031,691
Net realised loss on foreign exchange	(63,787)
	<b>1,780,363</b>
Less: Expenses	<b>(612,693)</b>
Realised income available for distribution	<b>1,167,670</b>
Distribution during the financial period	<b>948,751</b>
Gross distribution per unit	<b>0.025</b>
Net distribution per unit	<b>0.025</b>

Gross distribution per unit is derived from distribution during the financial year/period divided by the number of units in circulation. Net distribution per unit is derived from distribution during the financial year/period divided by the number of units in circulation.

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## 10. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 12. TRANSACTIONS WITH INVESTMENT BANK, BROKERS, AND FINANCIAL INSTITUTION

Details of transactions with investment bank, brokers and financial institution for the financial year from 1 July 2018 to 30 June 2019 are as follows:

2019	Value of Trade	Percentage of Total Trade	Brokerage Fees	Percentage of Total Brokerage Fees
	USD	%	USD	%
CIMB Investment Bank Berhad	137,397	1.10	137	6.07
Mubasher Financial Services	1,976,580	15.75	1,126	49.91
Saturna Brokerage Services *	7,887,485	62.87	993	44.02
Standard Chartered Saadiq Berhad	2,543,589	20.28	-	-
	12,545,051	100.00	2,256	100.00

2018	Value of Trade	Percentage of Total Trade	Brokerage Fees	Percentage of Total Brokerage Fees
	USD	%	USD	%
CIMB Investment Bank Berhad	15,618,280	29.91	29,516	77.61
Mubasher Financial Services	4,131,962	7.91	3,458	9.09
Saturna Brokerage Services *	31,636,605	60.60	5,056	13.30
Standard Chartered Saadiq Berhad	823,083	1.58	-	-
	52,209,930	100.00	38,030	100.00

\* A broker related to the Manager. The directors of the Manager are of the opinion that the above transactions have been entered in the normal course of business and have been established under terms that were no less favourable than those arranged with independent third parties.

The above transactions were in respect of listed securities and money market deposits. Transactions in money market deposits do not involve any commission or brokerage.

### 13. SEGMENT INFORMATION

For management purposes, the Fund is organised into one main operating segment, which invests in quoted equities and the analysis of the Fund's investment income is as follows:

Regional Location	1 July 2018 to 30 June 2019	23 June 2017 to 30 June 2018
	USD	USD
Asia Pacific	151,735	(28,738)
European Union	446,360	224,285
United States of America	2,493,976	1,791,182
	<b>3,092,071</b>	<b>1,986,729</b>

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## 10. NOTES TO THE FINANCIAL STATEMENTS (continued)

### 14. FINANCIAL INSTRUMENTS

#### (a) Classification of Financial Instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortized cost based on their respective classification. The significant policies in Note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities of the Fund in the statement of financial position at the end of the reporting year by the class of financial instruments to which they are assigned, and therefore by the measurement basis.

	Financial Asset at FVTPL USD	Financial Asset at Amortised Cost USD	Financial Liabilities at Amortised Cost USD	Total USD
<b>2019</b>				
<b>Assets</b>				
Investments	37,321,370	-	-	37,321,370
Amount Due from Distributors	-	1,316	-	1,316
Sundry receivables	-	57,101	-	57,101
Short-term Shariah-based deposits	-	2,543,589	-	2,543,589
Cash at bank	-	2,391,399	-	2,391,399
<b>Total financial assets</b>	<b>37,321,370</b>	<b>4,993,405</b>	<b>-</b>	<b>42,314,775</b>
<b>Liabilities</b>				
Other payables and accruals	-	-	4,120	4,120
Amount due to Unitholder Capital	-	-	1,316	1,316
Amount owing to Manager	-	-	272,741	272,741
Amount owing to Trustee	-	-	1,744	1,744
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>279,921</b>	<b>279,921</b>

	Financial Asset at FVTPL USD	Financial Asset at Loans and Receivables USD	Financial Liabilities at Amortised Cost USD	Total USD
<b>2018</b>				
<b>Assets</b>				
Investments	38,384,758	-	-	38,384,758
Sundry receivables	-	33,939	-	33,939
Short-term Shariah-based deposits	-	823,083	-	823,083
Cash at bank	-	441,267	-	441,267
<b>Total financial assets</b>	<b>38,384,758</b>	<b>1,298,289</b>	<b>-</b>	<b>39,683,047</b>
<b>Liabilities</b>				
Other payables and accruals	-	-	15,322	15,322
Amount owing to Manager	-	-	187,671	187,671
Amount owing to Trustee	-	-	1,649	1,649
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>204,642</b>	<b>204,642</b>

	2019 Income, expense, gains, and losses USD	2018 Income, expense, gains, and losses USD
Net gains and (losses) from financial assets at FVTPL	1,685,770	198,622
Profit income derived from loans and receivables	41,464	55,059

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## 10. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 14. FINANCIAL INSTRUMENTS *(continued)*

#### *(b) Fair Value Measurements*

As of end of the financial year, the Fund held the following financial assets carried at fair value:

2019	Financial Instruments Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3		
	USD	USD	USD	USD	USD
<b>Financial Asset</b>					
Investments	37,321,370	-	-	37,321,370	37,321,370

2018	Financial Instruments Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3		
	USD	USD	USD	USD	USD
<b>Financial Asset</b>					
Investments	38,384,758	-	-	38,384,758	38,384,758

The Fund's financial asset at FVTPL is carried at fair value. The fair value of this financial asset was determined using prices in active market for identical assets.

#### Quoted equity instruments

Fair value is determined by references to the last done price for all the investments and assets of the Fund quoted on the stock exchange on which they are listed.

### 15. FINANCIAL RISK MANAGEMENT POLICIES

#### *(a) Introduction*

The Fund maintains investment portfolios in a variety of listed financial instruments as dictated by its Trust Deed and investment management strategy.

The Fund is exposed to a variety of financial risks, including market risks (which include profit rate risk, equity price risk and currency risk), credit risk and liquidity risk. Whilst these are the most important types of financial risk inherent in each type of financial instruments, the Manager and the Trustee would like to highlight that this list does not purport to constitute an exhaustive list of all the risks inherent in an investment in the Fund.

The Fund's objective in managing risk is the creation and protection of Unitholders' value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring of risks. Financial risk management is also carried out through sound internal control systems and adherence to the investment restrictions as stipulated in the Trust Deed, the Securities Commission's Guidelines on Unit Trust Funds and the Capital Market and Services Act, 2007.

#### *(b) Risk Management Structure*

The Manager is responsible for identifying and controlling risks. The Board of Directors of the Manager is ultimately responsible for the overall risk management approach within the Fund.

The key feature in the Manager's approach is that tailoring of the level of portfolio risk taken is through Tactical Asset Allocation between liquid assets and equity. At least 70% of the Fund's NAV are to be allocated to Shariah-compliant equities in Global countries and up to 30% of the Fund's NAV are allocated to Islamic liquid assets including Islamic money market instruments, Islamic deposits with Islamic financial institutions and collective investment schemes.

To achieve its objective, the Fund invests in a diversified global portfolio of Sustainable Shariah-compliant equities. Asset allocation decisions are continuously made and reviewed based upon global economic and financial trends.

*Continued on next page.*

## 10. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 15. FINANCIAL RISK MANAGEMENT POLICIES *(continued)*

#### *(b) Risk Management Structure (continued)*

The Fund's investment decisions are primarily made based on value with potential for reasonable and Sustainable growth. The Manager analyses economic growth rates, interest rates, inflation, currencies and government policies. Stock selection criteria include improving fundamentals, dividends and solid growth potential at reasonable valuations. Stock valuation fundamentals considered are sales growth, profit margin, cash generation, earnings per share, return on equity, price earnings ratio and net tangible asset multiples.

The Fund's investments comply with Shariah requirements as prescribed by its Shariah Adviser.

The Fund generally invests for the long-term, with annual portfolio turnover not expected to exceed 30%. The Fund will not engage in short-term trading or speculative investments.

The Fund does not invest in debt instruments and investments that might be considered higher risk compared to equities, such as derivatives.

The Fund is allowed to hold cash at the discretion of the Fund Manager and/or for defensive purposes.

#### *(c) Market Risk*

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and equity prices. The maximum risk resulting from financial instruments equals their fair value.

##### *(i) Profit Rate Risk*

Profit rates are inclined to fluctuate over time. A rise in the general level of profit rates may affect the short-term deposits.

Cash and short-term deposits are particularly sensitive to movements in profit rates. When profit rates rise, the return on cash will rise thus affecting the NAV of the Fund.

##### **Profit rate risk sensitivity**

The following table demonstrates the sensitivity of the Fund's profit for the period to a reasonably possible change in profit rates, with all other variables held constant.

The sensitivity is the effect of the assumed changes in profit rates on:

	<b>Changes In Basis Points</b>	<b>Sensitivity Of Profit Income And Profit Increase USD</b>	<b>Sensitivity Of Changes In Fair Value Of Investments Increase USD</b>
<b>2019</b>	+10	+2,241	N/A
<b>2018</b>	+10	+3,420	N/A

\* *The assumed movement in basis points for profit rate sensitivity analysis is based on the currently observable market environment.*

An equivalent decrease in each of the indices shown above would have resulted in a similar, but opposite, impact.

*Continued on next page.*

## 10. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 15. FINANCIAL RISK MANAGEMENT POLICIES *(continued)*

#### (c) Market Risk *(continued)*

##### Profit rate risk exposure

The following table analyses the Fund's profit rate risk exposure. The Fund's assets and liabilities are included at fair value and categorised by the earlier of contractual re-pricing or maturity dates.

2019 Assets	0 – 3 Months USD	3 Months - 5 Years USD	Total USD	Effective Profit Rate %
Short-term Shariah-based deposits	2,543,589	-	2,543,589	1.85

\* Computed based on profit-bearing assets only.

2018 Assets	0 – 3 Months USD	3 Months - 5 Years USD	Total USD	Effective Profit Rate %
Short-term Shariah-based deposits	823,083	-	823,083	1.61

\* Computed based on profit-bearing assets only.

#### (ii) Equity Price Risk

Equity price risk is the risk of unfavorable changes in the fair values of equities as the result of changes in the levels of equity indices and the value of individual shares. The equity price risk exposure arises from the Fund's investments in quoted equity securities.

##### Equity price risk sensitivity

The table below summarises the sensitivity of the Fund's net asset value and profit after tax to movements in prices of investments. The analysis is based on the assumption that the price of the investments fluctuates by 5% with all other variables held constant.

30.6.2019	Changes In Equity Price %	Market Value USD	Impact on Profit After Tax and Net Asset Value USD
	-5	35,455,301	(1,866,069)
	0	37,321,370	-
	5	39,187,439	1,866,069

30.6.2018	Changes In Equity Price %	Market Value USD	Impact on Profit After Tax and Net Asset Value USD
	-5	36,465,520	(1,919,238)
	0	38,384,758	-
	5	40,303,996	1,919,238

In practice, the actual trading results may differ from the sensitivity analysis above and the difference could be material.

##### Equity price risk concentration

The Fund's concentration of equity price risk analysed by the Fund's equity instruments by geographic and sector is as per Note 4 in the financial statements.

#### (iii) Currency Risk

The Fund is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than United States Dollar. The currencies giving rise to this risk are primarily Euro ("EUR"), Great Britain Pound ("GBP"), Swiss Franc ("CHF"), Swedish Krona ("SEK"), Japanese Yen ("JPY") and Hong Kong Dollar ("HKD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

*Continued on next page.*



## 10. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 15. FINANCIAL RISK MANAGEMENT POLICIES *(continued)*

#### (c) Market Risk *(continued)*

##### (iii) Currency Risk *(continued)*

#### Foreign currency exposure

2019	Euro	Great Britain Pound	Hong Kong Dollar	Japanese Yen	Swedish Krona	Swiss Franc	United States Dollar	Total
Financial Assets	USD	USD	USD	USD	USD	USD	USD	USD
Investments	8,942,377	1,491,979	1,881,350	1,928,510	548,555	2,337,940	20,190,659	37,321,370
Amount due from Distributors	-	-	-	-	-	-	1,316	1,316
Sundry receivables	-	-	-	-	-	-	57,101	57,101
Short-term Shariah-based deposits	-	-	-	-	-	-	2,543,589	2,543,589
Cash at bank	-	-	-	-	-	-	2,391,399	2,391,399
	8,942,377	1,491,979	1,881,350	1,928,510	548,555	2,337,940	25,184,064	42,314,775

2018	Euro	Great Britain Pound	Hong Kong Dollar	Japanese Yen	Swedish Krona	Swiss Franc	United States Dollar	Total
Financial Assets	USD	USD	USD	USD	USD	USD	USD	USD
Investments	11,012,943	1,502,938	1,352,782	2,207,681	518,194	1,915,629	19,874,591	38,384,758
Sundry receivables	-	-	-	-	-	-	33,939	33,939
Short-term Shariah-based deposits	-	-	-	-	-	-	823,083	823,083
Cash at bank	-	-	-	-	-	-	441,267	441,267
	11,012,943	1,502,938	1,352,782	2,207,681	518,194	1,915,629	21,172,880	39,683,047

#### Foreign currency risk sensitivity analysis

2019	Changes In Foreign Currencies	Effects On Profit For The Year Decrease	Effects On Equity Decrease
Foreign currencies	%	USD	USD
CHF/USD	+10	(212,540)	(212,540)
EUR/USD	+10	(812,943)	(812,943)
GBP/USD	+10	(135,634)	(135,634)
HKD/USD	+10	(171,032)	(171,032)
JPY/USD	+10	(175,319)	(175,319)
SEK/USD	+10	(49,869)	(49,869)

An equivalent increase in each of the indices shown above would have resulted in a similar, but opposite, impact.

2018	Changes In Foreign Currencies	Effects On Profit For The Year Decrease	Effects On Equity Decrease
Foreign currencies	%	USD	USD
CHF/USD	+10	(174,148)	(174,148)
EUR/USD	+10	(1,001,177)	(1,001,177)
GBP/USD	+10	(136,630)	(136,630)
HKD/USD	+10	(122,981)	(122,981)
JPY/USD	+10	(200,698)	(200,698)
SEK/USD	+10	(47,109)	(47,109)

An equivalent increase in each of the indices shown above would have resulted in a similar, but opposite, impact.

*Continued on next page.*

## 10. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 15. FINANCIAL RISK MANAGEMENT POLICIES *(continued)*

#### (c) *Market Risk (continued)*

##### (iv) **Counterparties Risk**

The Fund will transact most of its investments through financial institutions including but not limited to banks, brokers and dealers. The risk is that a financial institution may default on its obligations.

The Manager manages the Fund's counterparties risk by undertaking credit evaluation and close monitoring of any changes to the issuer/counterparty's credit profile to minimize such risk. It is the Fund's policy to enter into financial instruments with reputable counterparties. The Manager also closely monitors the creditworthiness of the Fund's counterparties (e.g., brokers, custodian, banks, etc.).

##### Credit risk exposure

At the reporting date, the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

##### Assessment of Impairment Losses

The Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. There was no material impact on adoption from the application of the new impairment model.

##### (v) **Liquidity Risk**

Investments that are relatively less liquid in nature can cause their value and hence the value of the Fund to drop. The Fund may not be able to realise illiquid investments at the desired prices. The risk managed by careful stock or asset selection and portfolio diversification.

It is the Fund's policy that the Manager monitors the Fund's liquidity position on a regular basis. The Fund also manages its obligation to redeem units required to do so and its overall liquidity risk by requiring a maximum of 5 business days notice period before redemptions.

The Manager's policy is to always maintain a prudent and sufficient level of liquid assets so as to meet normal operating requirements and expected redemption requests by unitholders. Liquid assets comprise cash, deposits with financial institutions and other instruments which are capable of being converted into cash within 3 months.

The following table sets out the maturity profile of the Fund's issue (classified as equity instruments) and financial liabilities. Balances due within six months equal their carrying amounts, as the impact of discounting is insignificant. The table also analyses the maturity profile of the Fund's financial assets (undiscounted where appropriate) and equity in order to provide a complete view of the Fund's contractual commitments and liquidity.

2019	Less than 3 months USD	3 months – 1 year USD	Total USD
<b>Financial assets</b>			
Financial assets held at FVTPL	37,321,370	-	37,321,370
Short-term Shariah-based deposits	2,543,589	-	2,543,589
Cash at bank	2,391,399	-	2,391,399
Other assets	58,417	-	58,417
<b>Total financial assets</b>	<b>42,314,775</b>	-	<b>42,314,775</b>
<b>Financial liability</b>			
Other liabilities	279,921	-	279,921
<b>Total net financial assets</b>	<b>42,034,854</b>	-	<b>42,034,854</b>

## 10. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 15. FINANCIAL RISK MANAGEMENT POLICIES *(continued)*

#### (c) Market Risk *(continued)*

#### (v) Liquidity Risk *(continued)*

2018	Less than 3 months USD	3 months – 1 year USD	Total USD
<b>Financial assets</b>			
Financial assets held at FVTPL	38,384,758	-	38,384,758
Short-term Shariah-based deposits	823,083	-	823,083
Cash at bank	441,267	-	441,267
Other assets	33,939	-	33,939
<b>Total financial assets</b>	<b>39,683,047</b>	<b>-</b>	<b>39,683,047</b>
<b>Financial liability</b>			
Other liabilities	204,642	-	204,642
<b>Total net financial assets</b>	<b>39,478,405</b>	<b>-</b>	<b>39,478,405</b>

## 11. CORPORATE INFORMATION

### The Fund Manager

Saturna Sdn Bhd (342171-V)

### Registered Office

15-B, Jalan Tun Mohd Fuad 3  
Taman Tun Dr. Ismail  
60000 Kuala Lumpur  
Tel: 03-77268128 Fax: 03-77279702

### Business Office

Suite 5.03, 5<sup>th</sup> Floor, Menara Atlan  
161B Jalan Ampang  
50450 Kuala Lumpur  
Tel: 03-21645303 Fax: 03-21645308

### Board of Directors

Jane Carten (Chairperson)  
Monem A. Salam  
Dato' Dr. Lee Chee Kuon  
Dato' Dr. Vaseehar Hassan Bin Abdul Razack  
Md. Noor Bin Haji A.Rahman

### Investment Committee

Nicholas F. Kaiser  
Monem A. Salam  
Dato' Dr. Vaseehar Hassan Bin Abdul Razack  
Md. Noor Bin Haji A.Rahman  
Ahmed Abdul Khalid

### The Trustee

SCBMB Trustee Berhad (1005793-T)

### Shariah Advisor

Amanie Advisors Sdn Bhd

### Company Secretary

Fulcrum Management Sdn Bhd (MAICSA 0868925)

### Auditors & Reporting Accountants

Crowe Malaysia PLT (AF 1018)

### Tax Advisor

Crowe KL Tax Sdn Bhd

### Solicitors

Wei Chien & Partners

### Banker

Standard Chartered Saadiq Berhad (823437K)

