



# ICD Global Sustainable Fund

Annual Report

30 June 2021

## **Fund Manager**

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## **Trustee**

**SCBMB TRUSTEE BERHAD** 201201021301 (1005793-T)

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# 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	11	55.00	223,117	0.54
50,001 to 100,000	3	15.00	234,853	0.56
100,001 to 500,000	2	10.00	276,907	0.66
500,001 to 1,000,000	0	0	0	0
1,000,001 & above	4	20.00	40,961,825	98.24
<b>Total</b>	<b>20</b>	<b>100.00</b>	<b>41,696,702</b>	<b>100.00</b>

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

## PERFORMANCE BENCHMARK

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

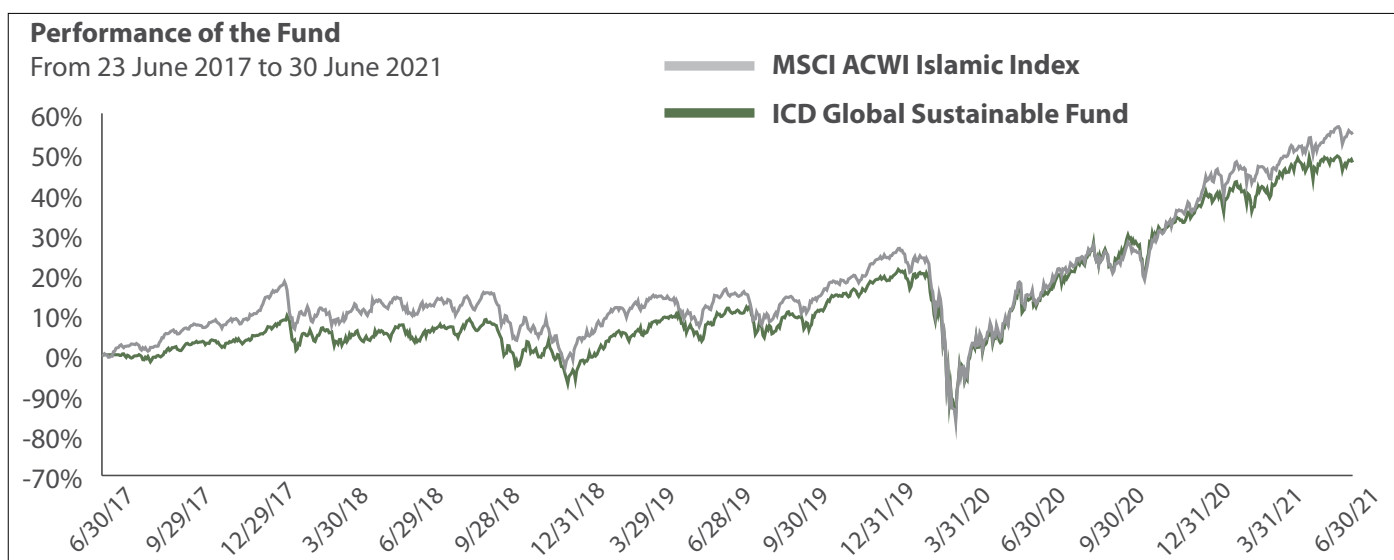
The benchmark is used as a yardstick to assess the performance of the Fund only. The risk profile of the Fund as well as ESG Criteria are different from that of the benchmark.

## FUND PERFORMANCE

From 30 June 2020 to 30 June 2021, ICD Global Sustainable Fund rose 30.06% compared with 35.77% for the benchmark. During the financial year, Information Technology (3.85% relative contribution) and Industrials (3.08%) were the top return contributors to the Fund's performance, whereas Materials and Health Care lagged. It is worth noting that we do not have Energy (-4.28% relative underperformance) holdings in the Fund primarily due to the ESG nature of the Fund. The Fund is overweight Information Technology (by 9.78%) and Industrials (by 5.34%) and underweight Energy (by 10.84%).

Among the stock holdings, Techtronic Industries, Siemens Gamesa Renewable Energy, NXP Semiconductors, and Infineon Technologies contributed meaningfully to returns whereas Adobe, Nestle, Johnson & Johnson, and Procter & Gamble were among the detractors. We hold roughly 7.3% cash in the portfolio (as of June 30, 2021) compared with approximately 5.5% a year ago.

Given the performance and dividend during the period under review, we believe the Fund's objective is being met to provide investors with capital appreciation and income 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 2021	As at 30 June 2020	As at 30 June 2019
Net Asset Value (USD)	57,980,990	44,247,318	42,034,854
Units in Circulation (units)	41,696,702	40,657,935	39,816,371
Net Asset Value / unit (USD)	1.3905	1.0883	1.0557
Highest NAV (USD)	1.4309	1.1609	1.0796
Lowest NAV (USD)	1.0873	0.8113	0.9059
Total Return	30.06%	3.09%	5.96%
Capital growth	27.77%	3.09%	3.99%
Income distribution	2.29%	-	1.97%
Final Distribution			
Gross Distribution/unit (USD)	0.025	-	0.020
Net Distribution/unit (USD)	0.025	-	0.020
Date of Distribution	28 June 2021	-	27 June 2019
Portfolio Composition			
Quoted Equity Securities	92.68%	94.51%	88.79%
Other Liquid Assets	7.32%	5.49%	11.21%
Management Expense Ratio	3.11%	0.88%	1.19%
Portfolio Turnover Ratio	0.09 times	0.12 times	0.13 times
Official Launching Date	23 June 2017	23 June 2017	23 June 2017

### Management Expense Ratio

The management expense ratio for the financial year is 3.11%

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 year calculated on a daily basis is USD 52,456,314.13. During the current financial year, the increase in MER is due to the high performance fee incurred.

### Portfolio Turnover Ratio

The portfolio turnover ratio for the financial year is 0.09 times.

The portfolio turnover ratio is derived from the following calculation:

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

### Where:

total acquisition for the financial year = USD 3,606,688.47

total disposal for the financial year = USD 6,103,807.04



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

## TOTAL RETURN (in %)

Total Return is based on NAV to NAV with distribution reinvested. Below is the total return of the Fund as at 30 June 2021 since inception.

	1 July 2020 – 30 June 2021	1 July 2019 – 30 June 2020	1 July 2018 – 30 June 2019	Since Inception (23 June 2017 – 30 June 2021)
<b>The Fund</b>	<b>30.06%</b>	<b>3.09%</b>	<b>5.96%</b>	<b>47.80%</b>
<b>Performance Benchmark</b>	<b>35.77%</b>	<b>-1.34%</b>	<b>3.85%</b>	<b>53.20%</b>

Note: Total Return of the Fund is derived by this formula:

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

The above calculation of returns is based on computation methods of Lipper.

## 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 Year Ended 30 June 2021.

	1 July 2020 – 30 June 2021	1 July 2018 – 30 June 2021	Since Inception (23 June 2017 – 30 June 2021)
<b>The Fund</b>	<b>30.06%</b>	<b>14.02%</b>	<b>11.89%</b>
<b>Performance Benchmark</b>	<b>35.77%</b>	<b>13.04%</b>	<b>13.24%</b>

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

## STOCK MARKET REVIEW

Positive market momentum in the second quarter of 2020 continued into the third quarter, which saw the S&P 500 (SPX), MSCI World (MXWO), and MSCI Emerging Markets (MXEF) climb by +8.5%, +7.5% and +8.7% respectively. By the end of the fourth quarter, these indices had risen by a further +11.7%, +13.6% and +19.3% as investors cheered global fiscal and monetary economic stimulus to combat the adverse effects of COVID-19 on the world economies and historically low global interest rates. Market bulls were also encouraged by approvals issued by health authorities to several COVID vaccines, primarily those from Pfizer and Moderna, as well as rapid progress in the development of the AstraZeneca vaccine. Later in the year, Joe Biden's victory in the US Presidential election boosted market sentiment.

Global markets started 2021 as brightly as they had finished the previous year with the SPX, MXSO, and MXEF rising by +5.8%, +4.5% and +1.9% respectively in the first quarter. Concerns about inflation and the possibility of higher interest rates and US tapering were more than offset by optimism around the global rollout of vaccines which would accelerate the post pandemic normalization of economic activity and two multi-trillion dollar stimulus programs by the Biden administration. Animal spirits were also boosted by high vaccination rates in the US and Europe, which could result in the full reopening of these economies sooner rather than later. While inflation worries continued to occasionally spook the market, these concerns were largely soothed by Federal Reserve Chair Powell, who reaffirmed the Fed's stance to encourage a broad and inclusive job market recovery and to not raise interest rates too quickly. Meanwhile, the announcement of a \$1.2 trillion

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

### STOCK MARKET REVIEW *(continued)*

infrastructure deal between the Biden administration and a bipartisan group of senators as well as strong growth numbers from China also helped enhance market optimism. Thus, the SPX, MXWO, and MXEF were up +8.2%, +7.3% and +4.4% respectively, in the second quarter of 2021, finishing the financial year ended June 2021 by +38.6%, +37.0% and +38.1% respectively.

More recently, there are some emerging concerns relating to the Delta variant and appearance of the Lambda variant, both of which could render existing vaccines less effective and result in the postponement of full economic normalization. The S&P 500 Index and MSCI World Index have continued to trend upward, with investors betting on continued global stimulatory fiscal and monetary policy (most recently evidenced by China cutting the reserve requirement ratio for its banks) and an acceleration of worldwide COVID inoculations, particularly as vaccine supplies free up in the developed world. There is also an expectation that as the coronavirus evolves and creates variants, further progress would also be made in the

development of vaccines required to combat them. For instance, Pfizer-BioNTech has recently announced that it is working on a vaccine to target the Delta variant and will begin clinical trials in August.

### MARKET OUTLOOK AND INVESTMENT STRATEGY

S&P 500 and MSCI World valuations remain elevated at 22.7 times P/E (against a 5-year median of 18.4 times) and 20.6 times P/E (5-year median of 17.3 times) respectively. With much of the post-COVID recovery trade now seemingly priced in, we believe that our bottom-up investing approach focused on finding companies with solid fundamentals, sound growth prospects, and reasonable valuations should continue to deliver resilient investment performance compared with macro-based or other investment styles.

In this type of investing environment, we remain confident that sustainability and *Shariah*-focused funds like the Global Sustainable Fund, which focus on companies with low debt and a penchant for doing right for their stakeholders, will continue to see resilient performance.

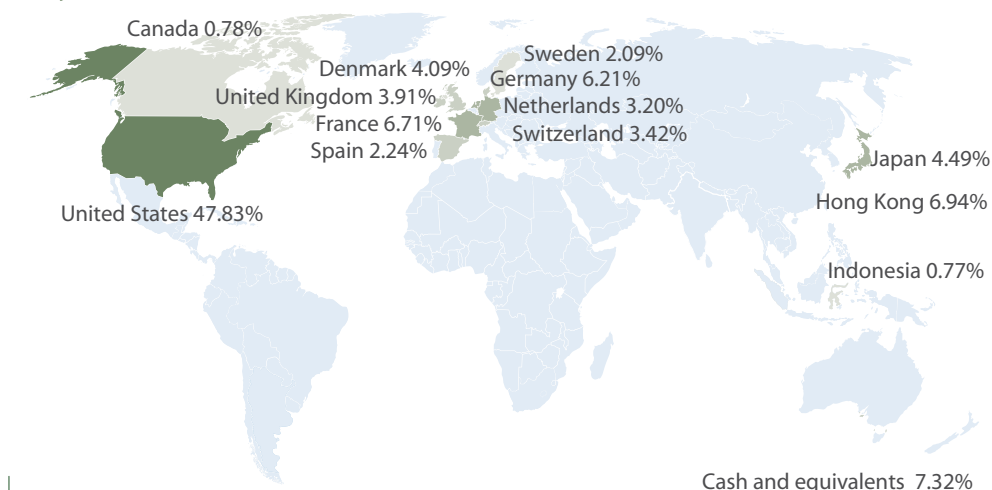
### ASSET ALLOCATION OF THE FUND

	30 June 2021	30 June 2020	30 June 2019
By Country	% of NAV	% of NAV	% of NAV
Cash & Other Liquid Assets	7.32	5.49	11.21
Canada	0.78	0.71	-
France	6.71	7.54	6.82
Germany	6.21	6.18	7.65
Hong Kong	6.94	6.09	4.48
Indonesia	0.77	1.02	1.43
Japan	4.49	5.63	4.58
Denmark	4.09	2.77	-
South Korea	-	-	-
Netherlands	3.20	3.51	3.35
Singapore	-	-	0.55
Spain	2.24	3.24	3.45
Sweden	2.09	1.85	1.30
Switzerland	3.42	4.05	5.57
United Kingdom	3.91	4.29	3.55
United States	47.83	47.63	46.06
	100.00	100.00	100.00

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

## ASSET ALLOCATION OF THE FUND *(continued)*

### Country Allocation



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

By Sector	30 June 2021	30 June 2020	30 June 2019	Sector Allocation as at 30 June 2021
	% of NAV	% of NAV	% of NAV	
Cash & Other Liquid Assets	7.32	5.49	11.21	
Communication	1.61	2.74	3.29	
Consumer Discretionary	16.46	14.66	17.93	
Consumer Staples	11.44	12.41	10.02	
Financial	1.43	1.40	1.13	
Health Care	18.65	20.00	19.82	
Industrials	10.45	8.04	6.32	
Material	5.64	6.64	7.58	
Technology	25.65	26.64	20.75	
Energy	1.35	1.98	1.95	
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	

### NAV Profile from 1 July 2020 to 30 June 2021

	30 June 2021 USD	30 June 2020 USD	% Change
<b>Total NAV (Inclusive of Injection)</b>	57,980,990	44,247,318	31.04
<b>NAV/unit (Ex-Distribution)</b>	1.3905	1.0883	27.77

NAV/unit (Ex-Distribution) at the end of 30 June 2021 increased by +27.77% compared with 30 June 2020 as global equity markets continued their recovery off first quarter 2020 pandemic lows. Key boosters to market performance included low interest rates, development of Covid vaccines and subsequent progress on vaccination, especially in the developed markets, and global fiscal stimulus programmes, including a significant infrastructure deal in the US. All these factors more than offset rising concerns about inflation and new Covid variants.

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

### ASSET ALLOCATION OF THE FUND *(continued)*

#### Top Five Investments as at 30 June 2021

Stock	Weight
Techtronic Industries	4.54%
L'Oreal	3.38%
Intel	2.90%
Microsoft	2.80%
Norfolk Southern	2.75%

### DETAILS OF DISTRIBUTION AND UNIT SPLIT

Financial Period	30 June 2021	30 June 2020	30 June 2019
Date of Distribution	28 June 2021	-	27 June 2019
<b>Distribution per unit</b>			
Gross (USD)	0.025	-	0.020
Net (USD)	0.025	-	0.020
Net Asset Value before distribution (USD)	1.4196	-	1.0729
Less : distribution (USD)	0.025	-	(0.020)
Net Asset Value after distribution (USD)	1.3946	-	1.0529

The gross distribution per unit of 2.5 cents (net distribution of 2.5 cents) for the financial year ended 30 June 2021 had the effect of reducing the Net Asset Value (NAV) per unit before distribution of USD 1.4196 to a Net Asset Value per unit after distribution of USD 1.3946 on the distribution date of 28 June 2021.

**No unit split were declared for the financial year ended 30 June 2021**

### 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 USD 0.0025, if you owned units from inception to 30 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 July 2020, the calculation of amount to be purified as of 30 June 2021 would be 100,000 units x USD 0.0025/ unit = USD 250.

## 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 2021. 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: 201201021301)

**Prasad A/L S Vijayasundram**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
27 August 2021

### 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 2021 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

27 August 2021

## 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 2021, and the statement of 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 15 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 2021, 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' *International Code of Ethics for Professional Accountants including International Independence Standards* ("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

201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

#### Gerald Lau Beng Tong

03523/08/2022J  
Chartered Accountant

Kuala Lumpur  
27 August 2021



## 5. SHARIAH ADVISOR'S REPORT

### To the Unit Holders of ICD Global Sustainable Fund

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Saturna Sdn Bhd has operated and managed the Fund during the period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The asset of the Fund comprises of instruments that have been classified as Shariah compliant except for Alps Alpine Co. Ltd, Associated British Foods PLC and Atos SE which have been reclassified as Shariah non-compliant by the Shariah Adviser. These reclassified Shariah non-compliant instrument(s) shall be disposed in accordance with the Fund's Shariah investment guidelines as provided in the Fund's deed and disclosed in the Fund's prospectus.
3. We also confirm that the investment portfolio of the Fund comprises securities which have been classified as Shariah compliant by the Shariah Advisory Council of the SC ("SACSC"). For securities not certified by the SACSC, we have reviewed the said securities and opine that these securities are designated as Shariah compliant.

Thank you.

For **AMANIE ADVISORS SDN BHD**

**Datuk Dr. Mohd Daud Bakar**

Executive Chairman

Kuala Lumpur

27 August 2021

## 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 2021 and of its financial performance, the changes in net asset value, and the cash flows of the Fund for the year then ended.

		As at 30 June 2021	As at 30 June 2020
	Note	USD	USD
<b>Investments</b>			
Financial asset at fair value through profit or loss	4	53,733,695	41,817,081
Short-term Shariah-based deposits	5	644,391	1,566,583
		<b>54,378,086</b>	<b>43,383,664</b>
<b>Other Assets</b>			
Amount due from stockbrokers		-	-
Amount due from management company		-	-
Amount due from distributors		-	-
Cash at bank		4,931,605	1,007,380
Other receivables		53,178	26,445
		<b>4,984,783</b>	<b>1,033,825</b>
<b>Total Assets</b>		<b>59,362,869</b>	<b>44,417,489</b>
<b>Liabilities</b>			
Amount due to manager		1,375,318	164,200
Amount due to Unitholder Capital		-	-
Amount due to trustee		2,466	1,989
Other payables and accruals		4,095	3,982
		<b>1,381,879</b>	<b>170,171</b>
<b>Net asset value attributable to unit holders</b>	<b>6</b>	<b>57,980,990</b>	<b>44,247,318</b>
<b>Total equity and liabilities</b>		<b>59,362,869</b>	<b>44,417,489</b>
<b>Number of units in circulation</b>	<b>6</b>	<b>41,696,702</b>	<b>40,657,935</b>
<b>NAV per unit, ex-distribution</b>		<b>1.3905</b>	<b>1.0883</b>

## 7. STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2021

		1 July 2020 to 30 June 2021	1 July 2019 to 30 June 2020
	Note	USD	USD
<b>Income</b>			
Profit from short-term Shariah-based deposits		941	22,349
Gross Dividend Income		819,533	522,832
Gross Dividend income from non-permissible securities		10,214	115,511
Net loss on foreign exchange		(19,295)	(39,145)
Net gain on financial assets at fair value through profit or loss	4	14,413,636	1,268,261
		<b>15,225,029</b>	<b>1,889,808</b>
<b>Less: Expenses</b>			
Administration fee	7	131,149	106,602
Distribution fee	7	131,149	106,602
Performance fee	7	1,327,078	128,333
Trustee's fee	8	26,232	21,320
Auditors' fee		3,132	3,045
Tax agent's fee		963	937
Other expenses		11,003	9,277
		<b>1,630,706</b>	<b>376,116</b>
<b>Net profit before taxation &amp; purification</b>			
		<b>13,594,323</b>	<b>1,513,692</b>
Purification		(74,781)	(89,780)
<b>Net profit before taxation &amp; after purification</b>		<b>13,519,542</b>	<b>1,423,912</b>
Taxation	9	(200,977)	(158,925)
<b>Net profit after taxation &amp; purification</b>		<b>13,318,565</b>	<b>1,264,987</b>
<b>Net profit after taxation is made up as follows:</b>			
Realised income		<b>1,041,875</b>	<b>72,945</b>
Unrealised income, net		<b>12,276,690</b>	<b>1,192,042</b>
		<b>13,318,565</b>	<b>1,264,987</b>
<b>Distribution during the financial year</b>			
	<b>11</b>	<b>1,023,972</b>	-
Gross distribution per unit		<b>0.025</b>	-
Net distribution per unit		<b>0.025</b>	-

## 8. STATEMENT OF CHANGES IN NET ASSET VALUE

For the financial year ended 30 June 2021

	Unitholders' Capital USD	Retained Earnings USD	Total Net Asset-Value USD
<b>Net asset value as at 1 July 2019</b>	39,964,342	2,070,512	42,034,854
Movement due to creation / (cancellation) of units during the year:			
Creation of units from applications	1,064,777	-	1,064,777
Creation of units from distribution	-	-	-
Cancellation of units	(117,300)	-	(117,300)
Total comprehensive Income for the financial year	-	1,264,987	1,264,987
Distribution	-	-	-
<b>Net asset value as at 30 June 2020</b>	<b>40,911,819</b>	<b>3,335,499</b>	<b>44,247,318</b>
	Unitholders' Capital USD	Retained Earnings USD	Total Net Asset-Value USD
<b>Net asset value as at 1 July 2020</b>	40,911,819	3,335,499	44,247,318
Movement due to creation / (cancellation) of units during the year:			
Creation of units from applications	432,766	-	432,766
Creation of units from distribution	1,023,972	-	1,023,972
Cancellation of units	(17,659)	-	(17,659)
Total comprehensive Income for the financial year	-	13,318,565	13,318,565
Distribution	-	(1,023,972)	(1,023,972)
<b>Net asset value as at 30 June 2021</b>	<b>42,350,898</b>	<b>15,630,092</b>	<b>57,980,990</b>

## 9. STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2021

	1 July 2020 to 30 June 2021	1 July 2019 to 30 June 2020
	USD	USD
<b>Cash flows from / (for) operating and Investing activities</b>		
Proceeds from sale of quoted investments	6,093,460	3,316,454
Purchase of quoted investments	(3,613,337)	(6,581,894)
Net dividend received	599,082	507,438
Profit from short-term Shariah-based deposits received	944	23,024
Administration fee paid	(128,768)	(105,377)
Audit fee paid	(3,755)	(3,602)
Performance fee paid	(128,333)	(238,402)
Purification Paid	(74,781)	(89,779)
Distribution fee paid	(121,157)	(106,300)
Trustee's fee paid	(25,755)	(21,075)
Tax Agent fee paid	(1,106)	(1,079)
Payment for other fees and expenses	(9,568)	(7,910)
Tax Recoverable	-	-
<b>Net cash from/(for) operating activities and investing activities</b>	<b>2,586,926</b>	<b>(3,308,502)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of units	432,766	1,064,777
Payments for cancellation of units	(17,659)	(117,300)
<b>Net cash from financing activities</b>	<b>415,107</b>	<b>947,477</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,002,033</b>	<b>(2,361,025)</b>
Cash and cash equivalents at beginning of the financial year	2,573,963	4,934,988
<b>Cash and cash equivalents at end of the financial year</b>	<b>5,575,996</b>	<b>2,573,963</b>
<b>Cash and cash equivalents comprise</b>		
Cash at bank	4,931,605	1,007,380
Short-term Shariah-based deposits	644,391	1,566,583
	<b>5,575,996</b>	<b>2,573,963</b>



## 10. NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

#### 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 27 August 2021.

#### 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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Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 9, MFRS 139, and MFRS 7: Interest Rate Benchmark Reform

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

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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.

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## 10. NOTES TO THE FINANCIAL STATEMENTS *(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 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4, and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendment to MFRS 16: Covid-19-Related Rent Concessions	1 June 2020
Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

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 upon its initial application.

## 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.

The above interest rate is a general economic indicator that will have an impact on the management of the fund regardless whether it is a Shariah-compliant fund or otherwise. It does not in any way suggest that the fund will invest in conventional financial instruments. All the investments carried out for the fund are in accordance with Shariah requirements.

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

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

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

##### *(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 its business model for managing those assets change.

##### Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Fund 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.

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

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

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

##### ***(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).

##### ***(c) Derecognition***

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### 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.

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

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

#### 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, which is 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.

#### 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.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and 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.

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

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

#### 3.10 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The outbreak of the COVID-19 has brought unprecedented challenges and added economic uncertainties in the markets in which the Fund operates. While the Fund has considered the potential financial impact of the COVID-19 pandemic in the preparation of these financial statements, the full financial impact to the Fund remains uncertain. Accordingly, there is a possibility that factors not currently anticipated by the Manager of the Fund could occur in the future and therefore affect the recognition and measurement of the Fund's assets and liabilities at the reporting date.

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.

#### 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 asset 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.

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

### 4. INVESTMENTS

	2021 USD	2020 USD
Financial assets at FVTPL		
Quoted Investments	53,733,695	41,817,081

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

	2021 USD	2020 USD
Net gain/(loss) on financial assets at FVTPL comprised: -		
Realised gain on disposals	1,474,978	(40,714)
Realised gain on disposals of non-permissible securities	661,968	116,933
Unrealised changes in fair value	12,276,690	1,192,042
	<b>14,413,636</b>	<b>1,268,261</b>

Financial Assets designated as FVTPL as at 30 June 2021 are as detailed below:

2021	Quantity (Units)	Cost USD	Market Value USD	% of NAV
<b>Canada</b>				
<b>Technology</b>				
CGI Group Inc	5,000	408,084	453,000	0.78%
<b>Denmark</b>				
<b>Energy</b>				
Vestas Wind Systems	20,000	805,823	780,140	1.35%
<b>Health Care</b>				
Novo Nordisc A/S - B	11,500	680,765	962,762	1.66%
<b>Material</b>				
Novozymes A/S - B	8,300	429,008	625,165	1.08%
<b>France</b>				
<b>Consumer Staples</b>				
L'Oreal	4,400	935,898	1,959,147	3.38%
<b>Health Care</b>				
Essilor International SA	5,600	738,578	1,032,682	1.78%
<b>Industrial</b>				
Schneider Electric	3,500	322,030	550,213	0.95%
<b>Technology</b>				
ATOS SE *	3,500	377,327	212,737	0.37%
Worldline SA	1,400	120,816	130,943	0.23%
		<b>498,143</b>	<b>343,680</b>	<b>0.60%</b>

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

### 4. INVESTMENTS *(continued)*

Financial Assets designated as FVTPL as at 30 June 2021 are as detailed below:

2021	Quantity (Units)	Cost USD	Market Value USD	% of NAV
<b>Germany</b>				
<b>Consumer Discretionary</b>				
Adidas AG	2,500	536,163	929,799	1.60%
<b>Technology</b>				
Infineon Technologies AG	35,000	784,626	1,402,488	2.42%
SAP SE	9,000	942,900	1,267,251	2.19%
		<b>1,727,526</b>	<b>2,669,739</b>	<b>4.61%</b>
<b>Hong Kong</b>				
<b>Consumer Discretionary</b>				
MTR Corp Ltd	74,400	427,273	414,329	0.71%
Techtronic Co. Ltd	150,800	762,480	2,632,976	4.54%
		<b>1,189,753</b>	<b>3,047,305</b>	<b>5.25%</b>
<b>Technology</b>				
Tencent Holdings	13,000	591,634	977,557	1.69%
<b>Indonesia</b>				
<b>Communication</b>				
Telekomunikasi Indonesia ADS	20,600	714,578	446,402	0.77%
<b>Japan</b>				
<b>Consumer Staples</b>				
Unicharm Corporation	12,500	430,314	502,971	0.87%
<b>Health Care</b>				
Astellas Pharma	59,100	724,620	1,029,156	1.77%
<b>Materials</b>				
Kansai Paint Co., Ltd	31,600	745,829	805,289	1.39%
<b>Technology</b>				
Alps Electric Co., Ltd*	25,300	719,250	267,143	0.46%
<b>Netherland</b>				
<b>Health Care</b>				
Koninklijke Philips NV	20,916	752,435	1,035,639	1.79%
<b>Material</b>				
Akzo Nobel NV	3,644	334,411	449,887	0.78%
<b>Technology</b>				
STMicroelectronics NV	10,000	227,248	362,618	0.63%
<b>Spain</b>				
<b>Consumer Discretionary</b>				
Industria de Diseno Textil SA	37,000	1,350,281	1,302,453	2.24%

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

### 4. INVESTMENTS *(continued)*

Financial Assets designated as FVTPL as at 30 June 2021 are as detailed below:

2021	Quantity (Units)	Cost USD	Market Value USD	% of NAV
<b>Sweden</b>				
<b>Industrials</b>				
Assa Abloy AB	40,300	834,370	1,213,935	2.09%
<b>Switzerland</b>				
<b>Consumer Staples</b>				
Nestle SA	6,000	511,757	747,050	1.29%
<b>Health Care</b>				
Alcon Inc	5,120	260,631	358,411	0.62%
Novartis AG	9,600	709,750	874,727	1.51%
		<b>970,381</b>	<b>1,233,138</b>	<b>2.13%</b>
<b>United Kingdom</b>				
<b>Consumer Staples</b>				
Associated British Foods PLC *	19,400	730,287	593,298	1.02%
Reckitt Benkiser Group PLC	3,500	287,797	308,991	0.53%
		<b>1,018,084</b>	<b>902,289</b>	<b>1.55%</b>
<b>Health Care</b>				
Hikma Pharmaceuticals	40,500	745,313	1,367,140	2.36%
<b>United States of America</b>				
<b>Communication</b>				
Alphabet, Class A	200	215,694	488,358	0.84%
<b>Consumer Discretionary</b>				
Genuine Parts	8,600	723,416	1,087,642	1.88%
Lowe's	2,500	271,199	484,925	0.84%
Ross Stores	3,000	234,292	372,000	0.64%
Stanley Black & Decker	4,500	719,271	922,455	1.59%
TJX Companies	20,800	733,026	1,402,336	2.42%
		<b>2,681,204</b>	<b>4,269,358</b>	<b>7.37%</b>
<b>Consumer Staples</b>				
Church & Dwight	9,000	462,273	766,980	1.32%
EsteeLauder, Class A	1,500	258,285	477,120	0.82%
PepsiCo	3,000	333,728	444,510	0.77%
Procter & Gamble	6,200	542,616	836,566	1.44%
		<b>1,596,902</b>	<b>2,525,176</b>	<b>4.35%</b>
<b>Financial</b>				
Duke Realty	17,500	541,107	828,625	1.43%

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

### 4. INVESTMENTS (continued)

Financial Assets designated as FVTPL as at 30 June 2021 are as detailed below:

2021	Quantity (Units)	Cost USD	Market Value USD	% of NAV
<b>United States of America (continued)</b>				
<b>Health Care</b>				
Edwards Lifesciences	8,300	319,219	859,631	1.48%
Johnson & Johnson	9,000	1,183,597	1,482,660	2.56%
Pfizer	24,000	771,706	939,840	1.62%
Stryker	3,350	870,460	870,096	1.50%
		<b>3,144,982</b>	<b>4,152,227</b>	<b>7.16%</b>
<b>Industrials</b>				
Kansas City Southern Industries	1,000	167,076	283,370	0.49%
Norfolk Southern	6,000	1,186,416	1,592,460	2.75%
TE Connectivity	8,500	808,391	1,149,285	1.98%
Trimble	10,500	389,552	859,215	1.48%
Johnson Control International	6000	283,650	411,780	0.71%
		<b>2,835,085</b>	<b>4,296,110</b>	<b>7.41%</b>
<b>Material</b>				
Corteva Inc	1,833	59,842	81,294	0.14%
Dow Inc	1,833	118,847	115,992	0.20%
PPG Industries	7,000	788,426	1,188,390	2.05%
		<b>967,115</b>	<b>1,385,676</b>	<b>2.39%</b>
<b>Technology</b>				
Adobe Inc	1,000	266,722	585,640	1.01%
Cisco System Inc.	17,000	768,800	901,000	1.55%
HP Inc.	29,900	550,633	902,681	1.56%
Intel Corporation	30,000	1,389,648	1,684,200	2.90%
Juniper Networks	15,000	360,161	410,250	0.71%
Microsoft Corporation	6,000	868,906	1,625,400	2.80%
NXP Semiconductors N.V.	7,000	759,797	1,440,040	2.48%
Qualcomm	8,000	472,768	1,143,440	1.97%
Salesforce.com	4,500	640,399	1,099,215	1.90%
		<b>6,077,834</b>	<b>9,791,866</b>	<b>16.88%</b>
<b>Total Quoted Equity Securities</b>		<b>37,002,199</b>	<b>53,733,695</b>	<b>92.68%</b>

\* These securities are Qualified Compliant as of 30 June 2021.

<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 designated as FVTPL as at 30 June 2020 are as detailed below:

2020	Quantity (Units)	Cost USD	Market Value USD	% of NAV
<b>Canada</b>				
<b>Technology</b>				
CGI Group Inc	5,000	408,084	315,000	0.71%
<b>Denmark</b>				
<b>Health Care</b>				
Novo Nordisc A/S - B	11,500	680,765	745,059	1.68%
<b>Material</b>				
Novozymes A/S - B	8,300	429,008	480,257	1.09%
<b>France</b>				
<b>Consumer Discretionary</b>				
Valeo *	15,000	1,083,486	393,974	0.89%
<b>Consumer Staples</b>				
L'Oreal	4,400	935,898	1,413,402	3.19%
<b>Health Care</b>				
Essilor International SA	5,600	738,578	719,361	1.63%
<b>Industrial</b>				
Schneider Electric	3,500	322,030	389,116	0.88%
<b>Technology</b>				
ATOS SE *	3,500	377,327	298,685	0.68%
Worldline SA	1,400	120,816	121,331	0.27%
		<b>498,143</b>	<b>420,016</b>	<b>0.95%</b>
<b>Germany</b>				
<b>Consumer Discretionary</b>				
Adidas AG	2,500	536,163	656,622	1.48%
<b>Technology</b>				
Infineon Technologies AG	35,000	784,626	821,481	1.86%
SAP SE	9,000	942,900	1,258,017	2.84%
		<b>1,727,526</b>	<b>2,079,498</b>	<b>4.70%</b>
<b>Hong Kong</b>				
<b>Consumer Discretionary</b>				
MTR Corp Ltd	74,400	427,273	385,420	0.87%
Techtronic Co. Ltd	150,800	762,480	1,474,845	3.33%
		<b>1,189,753</b>	<b>1,860,265</b>	<b>4.20%</b>
<b>Technology</b>				
Tencent Holdings	13,000	591,634	836,318	1.89%
<b>Indonesia</b>				
<b>Communication</b>				
Telekomunikasi Indonesia ADS	20,600	714,578	450,728	1.02%

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

### 4. INVESTMENTS *(continued)*

Financial Assets designated as FVTPL as at 30 June 2020 are as detailed below:

2020	Quantity (Units)	Cost USD	Market Value USD	% of NAV
<b>Japan</b>				
<b>Consumer Staples</b>				
Unicharm Corporation	12,500	430,314	512,428	1.16%
<b>Health Care</b>				
Astellas Pharma	59,100	724,620	986,370	2.23%
<b>Materials</b>				
Kansai Paint Co., Ltd	31,600	745,829	666,173	1.51%
<b>Technology</b>				
Alps Electric Co., Ltd	25,300	719,250	323,818	0.73%
<b>Netherland</b>				
<b>Health Care</b>				
Koninklijke Philips NV	20,500	752,427	957,005	2.16%
<b>Material</b>				
Akzo Nobel NV	3,644	334,411	326,706	0.74%
<b>Technology</b>				
STMicroelectronics NV	10,000	227,248	272,094	0.61%
<b>Spain</b>				
<b>Consumer Discretionary</b>				
Industria de Diseno Textil SA	21,000	817,015	556,521	1.26%
<b>Energy</b>				
Siemens Gamesa Renewable Energy	49,455	903,206	877,445	1.98%
<b>Sweden</b>				
<b>Industrials</b>				
Assa Abloy AB	40,300	834,370	820,324	1.85%
<b>Switzerland</b>				
<b>Consumer Staples</b>				
Nestle SA	6,000	511,757	663,612	1.50%
<b>Health Care</b>				
Alcon Inc	5,120	260,631	293,900	0.66%
Novartis AG	9,600	709,750	835,514	1.89%
		<b>970,381</b>	<b>1,129,414</b>	<b>2.55%</b>
<b>United Kingdom</b>				
<b>Consumer Staples</b>				
Associated British Foods PLC *	19,400	730,287	459,904	1.04%
Reckitt Benkiser Group PLC	3,500	287,797	322,010	0.73%
		<b>1,018,084</b>	<b>781,914</b>	<b>1.77%</b>
<b>Health Care</b>				
Hikma Pharmaceuticals	40,500	745,313	1,113,023	2.52%

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

### 4. INVESTMENTS *(continued)*

Financial Assets designated as FVTPL as at 30 June 2020 are as detailed below:

2020	Quantity (Units)	Cost USD	Market Value USD	% of NAV
<b>United States of America</b>				
<b>Communication</b>				
Alphabet, Class A	200	215,694	283,610	0.64%
Booking Holdings	300	600,096	477,702	1.08%
		<b>815,790</b>	<b>761,312</b>	<b>1.72%</b>
<b>Consumer Discretionary</b>				
Genuine Parts *	8,600	723,416	747,856	1.69%
Lowe's *	2,500	271,199	337,800	0.76%
Ross Stores	3,000	234,292	255,720	0.58%
Stanley Black & Decker *	4,500	719,271	627,210	1.42%
TJX Companies	20,800	733,026	1,051,648	2.38%
		<b>2,681,204</b>	<b>3,020,234</b>	<b>6.83%</b>
<b>Consumer Staples</b>				
Church & Dwight	9,000	462,273	695,700	1.57%
EsteeLauder, Class A	1,500	258,285	283,020	0.64%
PepsiCo	3,000	333,728	396,780	0.90%
Procter & Gamble	6,200	542,616	741,334	1.68%
		<b>1,596,902</b>	<b>2,116,834</b>	<b>4.79%</b>
<b>Financial</b>				
Duke Realty	17,500	541,107	619,325	1.40%
<b>Health Care</b>				
Edwards Lifesciences	17,100	657,669	1,181,781	2.67%
Johnson & Johnson	9,000	1,183,597	1,265,670	2.86%
Pfizer	23,000	768,987	752,100	1.70%
		<b>2,610,253</b>	<b>3,199,551</b>	<b>7.23%</b>
<b>Industrials</b>				
Kansas City Southern Industries	1,000	167,076	149,290	0.34%
Norfolk Southern *	6,000	1,186,416	1,053,420	2.38%
TE Connectivity	8,500	808,391	693,175	1.57%
Trimble	10,500	389,552	453,495	1.02%
		<b>2,551,435</b>	<b>2,349,380</b>	<b>5.31%</b>
<b>Material</b>				
Alcoa Corp *	15,600	567,873	175,344	0.40%
Corteva Inc	1,833	59,842	49,106	0.11%
Dow Inc	1,833	118,847	74,713	0.17%
DuPont De Nemours *	7,833	568,261	416,167	0.94%
PPG Industries *	7,000	788,426	742,420	1.68%
		<b>2,103,249</b>	<b>1,457,750</b>	<b>3.30%</b>

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

### 4. INVESTMENTS *(continued)*

Financial Assets designated as FVTPL as at 30 June 2020 are as detailed below:

2020	Quantity (Units)	Cost USD	Market Value USD	% of NAV
<b>United States of America <i>(continued)</i></b>				
<b>Technology</b>				
Adobe Inc	1,000	266,722	435,310	0.98%
Cisco System Inc.	10,000	462,050	466,400	1.05%
HP Inc.	29,900	550,633	521,157	1.18%
Intel Corporation	30,000	1,389,648	1,794,900	4.06%
Juniper Networks *	15,000	360,161	342,900	0.77%
Microsoft Corporation	6,000	625,922	1,221,060	2.76%
NXP Semiconductors N.V. *	7,000	759,797	798,280	1.80%
Qualcomm	8,000	472,768	729,680	1.65%
Salesforce.com	4,500	411,125	842,985	1.91%
Xilinx	4,000	467,019	393,560	0.89%
		<b>5,765,845</b>	<b>7,546,232</b>	<b>17.05%</b>
<b>Total Quoted Equity Securities</b>		<b>38,255,656</b>	<b>41,817,081</b>	<b>94.51%</b>

\* These securities are Qualified Compliant<sup>1</sup> as of 30 June 2020.

<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)*

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

Short-term Shariah-based deposits bore a weighted average effective profit rate of 0.03% (2020 - 0.07%) per annum at the end of the reporting period. The short-term Shariah-based deposits had maturity periods for 30 days (2020 - 8 to 30 days).

### 6. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

	Note	2021 USD	2020 USD
Unitholders' capital	(a)	42,350,898	40,911,819
Retained earnings			
Realised reserve	(b)	276,968	259,065
Unrealised reserve	(c)	15,353,124	3,076,434
		<b>57,980,990</b>	<b>44,247,318</b>

#### (a) Unitholders' Contribution

	No. Of Units	2021 USD	No. Of Units	2020 USD
At beginning of the financial year	40,657,935	40,911,819	39,816,371	39,964,342
Creation of units from applications	318,763	432,766	968,440	1,064,777
Creation of units from distribution	734,240	1,023,972	-	-
Cancellation of units	(14,236)	(17,659)	(126,876)	(117,300)
At end of the financial year	<b>41,696,702</b>	<b>42,350,898</b>	<b>40,657,935</b>	<b>40,911,819</b>

#### (b) Realised-Distributable

	2021 USD	2020 USD
At beginning of the financial year	259,065	186,120
Net profit/(loss) after tax	13,318,565	1,264,987
Dividend Distribution	(1,023,972)	-
Net unrealised gain/(loss) transferred to unrealised reserve	(12,276,690)	(1,192,042)
At end of the financial year	<b>276,968</b>	<b>259,065</b>

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

	2021 USD	2020 USD
At beginning of the financial year	3,076,434	1,884,392
Net unrealised gain/(loss) transferred to unrealised reserve	12,276,690	1,192,042
At end of the financial year	<b>15,353,124</b>	<b>3,076,434</b>

### 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.

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

### 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 2020 to 30 June 2021	1 July 2019 to 30 June 2020
Current tax expenses:	USD	USD
Withholding tax	200,977	158,925

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

	1 July 2020 to 30 June 2021	1 July 2019 to 30 June 2020
	USD	USD
Net income before taxation	13,519,542	1,423,912
Tax at the Malaysian statutory tax rate of 24% (2020 - 24%)	<b>3,244,690</b>	<b>341,739</b>
<b>Tax effects of:</b>		
Non-taxable income	(3,658,659)	(482,063)
Non-deductible expenses	413,969	140,324
Investment income subject to withholding tax	200,977	158,925
Tax expense for the financial year	<b>200,977</b>	<b>158,925</b>

### 10. UNITS HELD BY DIRECTORS OF THE MANAGER AND HOLDING COMPANY OF THE MANAGER

	2021		2020	
	Number of Units	Value at NAV USD	Number of Units	Value at NAV USD
Director of the Manager	19,827	27,571	10,430	11,350
Holding company of the Manager	1,068,891	1,486,337	1,048,442	1,141,001
	<b>1,088,718</b>	<b>1,513,908</b>	<b>1,058,872</b>	<b>1,152,351</b>

### 11. DISTRIBUTION

#### 2021

Distribution declared on 28 June 2021 to members is distributed from the following sources:

	USD
Profit from Short-term Shariah-based deposits	939
Dividend income	825,601
Net realised gain on sale of investments	2,136,946
Net realised loss on foreign exchange	(19,277)
Prior financial year's realised income	259,065
	<b>3,203,274</b>
Less: Expenses	<b>(1,901,059)</b>
Realised income available for distribution	1,302,215
Distribution during the financial year	1,023,972
Gross distribution per unit	0.025
Net distribution per unit	0.025

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

#### 2020

No distribution were declared for the financial year ended 30 June 2020.

Continued on next page.

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

### 12. TRANSACTIONS WITH INVESTMENT BANK AND BROKERS

Details of transactions with investment bank and brokers for the financial year from 1 July 2020 to 30 June 2021 is as follows:-

2021	Value of Trade	Percentage of Total Trade	Brokerage Fees	Percentage of Total Brokerage Fees
	USD	%	USD	%
Mubasher Financial Services	3,498,737	36.03	4,103	88.96
Saturna Brokerage Services *	6,213,142	63.97	509	11.04
	9,711,879	100.00	4,612	100.00

2020	Value of Trade	Percentage of Total Trade	Brokerage Fees	Percentage of Total Brokerage Fees
	USD	%	USD	%
CGS-CIMB Securities Sdn Bhd	370,602	3.75	371	6.77
Maybank Investment Bank Berhad	152,355	1.54	152	2.77
Mubasher Financial Services	4,091,334	41.40	4,365	79.61
Saturna Brokerage Services *	5,269,058	53.31	595	10.85
	9,883,349	100.00	5,483	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.

### 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 2020 to 30 June 2021	1 July 2019 to 30 June 2020
	USD	USD
Asia Pacific	1,524,752	575,362
European Union	4,728,813	917,237
United States of America	8,971,464	397,209
	<b>15,225,029</b>	<b>1,889,808</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	Financial Asset at Amortised Cost	Financial Liabilities at Amortised Cost	Total
2021	USD	USD	USD	USD
<b>Assets</b>				
Investments	53,733,695	-	-	53,733,695
Amount Due from Distributors	-	-	-	-
Sundry receivables	-	53,178	-	53,178
Short-term Shariah-based deposits	-	644,391	-	644,391
Cash at bank	-	4,931,605	-	4,931,605
<b>Total financial assets</b>	<b>53,733,695</b>	<b>5,629,174</b>	<b>-</b>	<b>59,362,869</b>
<b>Liabilities</b>				
Other payables and accruals	-	-	4,095	4,095
Amount due to Unitholder Capital	-	-	-	-
Amount owing to Manager	-	-	1,375,318	1,375,318
Amount owing to Trustee	-	-	2,466	2,466
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,381,879</b>	<b>1,381,879</b>

	Financial Asset at FVTPL	Financial Asset at Amortised Cost	Financial Liabilities at Amortised Cost	Total
2020	USD	USD	USD	USD
<b>Assets</b>				
Investments	41,817,081	-	-	41,817,081
Amount Due from Distributors	-	-	-	-
Sundry receivables	-	26,445	-	26,445
Short-term Shariah-based deposits	-	1,566,583	-	1,566,583
Cash at bank	-	1,007,380	-	1,007,380
<b>Total financial assets</b>	<b>41,817,081</b>	<b>2,600,408</b>	<b>-</b>	<b>44,417,489</b>
<b>Liabilities</b>				
Other payables and accruals	-	-	3,982	3,982
Amount due to Unitholder Capital	-	-	-	-
Amount owing to Manager	-	-	164,200	164,200
Amount owing to Trustee	-	-	1,989	1,989
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>170,171</b>	<b>170,171</b>

	2021	2020
	Income, expense, gains, and losses	Income, expense, gains, and losses
	USD	USD
Net gains from financial assets at FVTPL	12,276,690	1,192,042
Profit income derived from amortised cost/loans and receivables	941	22,349

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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:

	Financial Instruments Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3		
2021	USD	USD	USD	USD	USD
<b>Financial Asset</b>					
Investments	53,733,695	-	-	53,733,695	53,733,695

	Financial Instruments Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3		
2020	USD	USD	USD	USD	USD
<b>Financial Asset</b>					
Investments	41,817,081	-	-	41,817,081	41,817,081

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 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.

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.

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

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

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

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 year 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:

	Changes In Basis Points	Sensitivity Of Profit Income And Profit Increase USD	Sensitivity Of Changes In Fair Value Of Investments Increase USD
2021	+10	+3,138	N/A

	Changes In Basis Points	Sensitivity Of Profit Income And Profit Increase USD	Sensitivity Of Changes In Fair Value Of Investments Increase USD
2020	+10	+31,928	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.

##### 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.

2021 Assets	0 – 3 Months USD	3 Months - 5 Years USD	Total USD	Effective Profit Rate %
Short-term Shariah-based deposits	644,391	-	644,391	0.03

2020 Assets	0 – 3 Months USD	3 Months - 5 Years USD	Total USD	Effective Profit Rate %
Short-term Shariah-based deposits	1,566,583	-	1,566,583	0.07

\* Computed based on profit-bearing assets only.

Continued on next page.

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

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

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

##### **(ii) Equity Price Risk**

Equity price risk is the risk of unfavourable 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.

	<b>Changes In Equity Price %</b>	<b>Market Value USD</b>	<b>Impact on Profit After Tax and Net Asset Value USD</b>
<b>30 June 2021</b>			
	-5	51,047,010	(2,686,685)
	0	53,733,695	-
	5	56,420,380	2,686,685

	<b>Changes In Equity Price %</b>	<b>Market Value USD</b>	<b>Impact on Profit After Tax and Net Asset Value USD</b>
<b>30 June 2020</b>			
	-5	39,726,227	(2,090,854)
	0	41,817,081	-
	5	43,907,935	2,090,854

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.

*Continued on next page.*

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

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

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

##### (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"), Hong Kong Dollar ("HKD") and Danish Krone ("DKK"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

#### Foreign currency exposure

2021	Euro	Great Britain Pound	Hong Kong Dollar	Japanese Yen	Swedish Krona	Swiss Franc	Denmark Danish Krone	United States Dollar	Total
Financial Assets	USD	USD	USD	USD	USD	USD	USD	USD	USD
Investments	10,635,857	2,269,429	4,024,862	2,604,559	1,213,935	1,980,188	2,368,067	28,636,798	53,733,695
Amount due from Distributors	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	53,178	53,178
Short-term Shariah-based deposits	-	-	-	-	-	-	-	644,391	644,391
Cash at bank	-	-	-	-	-	-	-	4,931,605	4,931,605
	10,635,857	2,269,429	4,024,862	2,604,559	1,213,935	1,980,188	2,368,067	34,265,972	59,362,869

2020	Euro	Great Britain Pound	Hong Kong Dollar	Japanese Yen	Swedish Krona	Swiss Franc	Denmark Danish Krone	United States Dollar	Total
Financial Assets	USD	USD	USD	USD	USD	USD	USD	USD	USD
Investments	9,061,760	1,894,937	2,696,583	2,488,789	820,324	1,793,026	1,225,316	21,836,346	41,817,081
Amount due from Distributors	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	26,445	26,445
Short-term Shariah-based deposits	-	-	-	-	-	-	-	1,566,583	1,566,583
Cash at bank	-	-	-	-	-	-	-	1,007,380	1,007,380
	9,061,760	1,894,937	2,696,583	2,488,789	820,324	1,793,026	1,225,316	24,436,754	44,417,489

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

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

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

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

##### Foreign currency risk sensitivity analysis

2021	Changes In Foreign Currencies	Effects On Profit For The Year Decrease	Effects On Equity Decrease
Foreign currencies	%	USD	USD
CHF/USD	+10	(198,019)	(198,019)
EUR/USD	+10	(1,063,586)	(1,063,586)
GBP/USD	+10	(226,943)	(226,943)
HKD/USD	+10	(402,486)	(402,486)
JPY/USD	+10	(260,456)	(260,456)
SEK/USD	+10	(121,393)	(121,393)
DKK/USD	+10	(236,807)	(236,807)

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

2020	Changes In Foreign Currencies	Effects On Profit For The Year Decrease	Effects On Equity Decrease
Foreign currencies	%	USD	USD
CHF/USD	+10	(163,003)	(163,003)
EUR/USD	+10	(823,796)	(823,796)
GBP/USD	+10	(172,267)	(172,267)
HKD/USD	+10	(245,144)	(245,144)
JPY/USD	+10	(226,253)	(226,253)
SEK/USD	+10	(74,575)	(74,575)
DKK/USD	+10	(111,392)	(111,392)

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

#### (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 minimise 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. The Fund measures credit risk and expected credit losses ("ECL") using probability of default, exposure at default and loss given default. The Manager consider both historical analysis and forward looking information in determining any ECL. The Manager consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowances has been recognised based on the 12 month ECL as any such impairment would be wholly insignificant to the Fund.

*Continued on next page.*

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

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

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

##### (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.

2021	Less than 3 months USD	3 months – 1 year USD	Total USD
<b>Financial assets</b>			
Financial assets held at FVTPL	53,733,695	-	53,733,695
Short-term Shariah-based deposits	644,391	-	644,391
Cash at bank	4,931,605	-	4,931,605
Other assets	53,178	-	53,178
<b>Total financial assets</b>	<b>59,362,869</b>	<b>-</b>	<b>59,362,869</b>
<b>Financial liability</b>			
Other liabilities	1,381,879	-	1,381,879
<b>Total net financial assets</b>	<b>57,980,990</b>	<b>-</b>	<b>57,980,990</b>

2020	Less than 3 months USD	3 months – 1 year USD	Total USD
<b>Financial assets</b>			
Financial assets held at FVTPL	41,817,081	-	41,817,081
Short-term Shariah-based deposits	1,566,583	-	1,566,583
Cash at bank	1,007,380	-	1,007,380
Other assets	26,445	-	26,445
<b>Total financial assets</b>	<b>44,417,489</b>	<b>-</b>	<b>44,417,489</b>
<b>Financial liability</b>			
Other liabilities	170,171	-	170,171
<b>Total net financial assets</b>	<b>44,247,318</b>	<b>-</b>	<b>44,247,318</b>



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

### 16. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The worsening of the macro-economic outlook as a result of COVID-19, both domestically and globally, has impacted the fund's performance during the financial year end. The Manager continues monitoring the situation closely and will be managing the portfolio to achieve the Fund's objective.

## 11. CORPORATE INFORMATION

### The Fund Manager

Saturna Sdn Bhd 199501012969 (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 201201021301 (1005793-T)

### Shariah Advisor

Amanie Advisors Sdn Bhd 200501007003 (684050-H)

### Company Secretarial

Fulcrum Management Sdn Bhd 199301021951 (276689-A)

### Auditors & Reporting Accountants

Crowe Malaysia PLT 201906000005 (LLP0018817-LCA) & (AF 1018)

### Tax Advisor

Crowe KL Tax Sdn Bhd 197101000345 (10709-X)

### Solicitors

Wei Chien & Partners

### Banker

Standard Chartered Saadiq Berhad 200801022118 (823437K)

