



# ICD GLOBAL SUSTAINABLE FUND

## FUND FACTS

<b>ISIN Code</b>	MYU9802AA008
<b>Bloomberg Ticker</b>	SSBRGSF MK
<b>Currency</b>	US Dollar (USD)
<b>Benchmark</b>	MSCI ACWI Islamic Index
<b>Inception Date</b>	23 June 2017

## ECONOMIC OUTLOOK

Markets remained soft in the second quarter of 2022, with the S&P 500 down -16.10% and the MSCI All Country World Index down -15.53%. Investor sentiment, which was already weak, soured further with the news of accelerating US inflation and additional Federal Reserve interest rate hikes. Meanwhile, the war in Ukraine raged on and a new COVID-19 outbreak in Shanghai spread to other parts of China.

In May 2022, the US Consumer Price Index hit a four-decade high of 8.6%. Fears of further acceleration pushed the Fed to hike the federal funds rate by 50 basis points (bps) in early May, and then by another 75 bps in mid-June. Combined with the 25-bps increase in mid-March, these hikes marked the Fed's largest interest rate increase over a six-month period in more than 40 years. More hikes are expected in the second half of the year, with rates expected to double to 3.5% by year-end. With tighter-than-expected monetary conditions and higher costs, economic growth and corporate profits are expected to slow down. For most of the second quarter, several major Chinese cities including Shanghai and Beijing were subjected to strict COVID-19 related lockdowns, which hampered the flow of goods from China. This exacerbated global supply chain woes and further added to fears of higher-than-expected inflation and interest rate hikes.

Emerging markets were also weak during the second quarter but still outperformed the S&P 500; the MSCI Emerging Markets Index was down -11.45%, the MSCI Asia Pacific Index declined -11.83% and the MSCI ASEAN Index fell -13.55%. The jury may still be out on prospects for emerging markets equities, but it appears that investors are starting to give the asset class due credit for its exposure to a potential recovery in China and global commodity strength. Other factors supportive of emerging markets equities include lower valuations and relatively low inflation, which leaves more room for growth-boosting policies. Compared with the more developed markets, emerging markets are also less exposed to the Technology sector, which has borne the brunt of market declines.

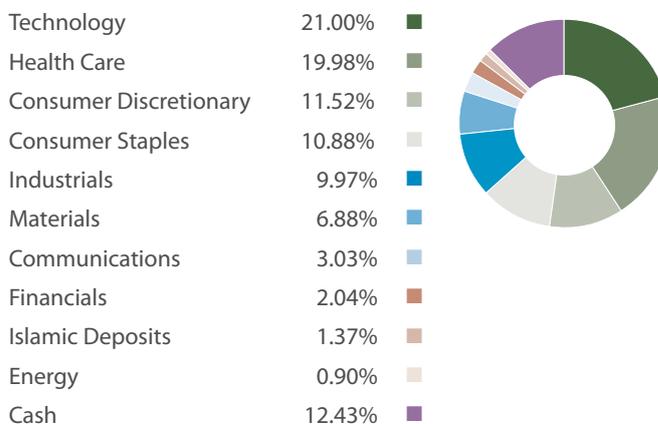
At second quarter-end, S&P 500 and MSCI All Country World Index valuations looked reasonably attractive at 16.7x P/E (against a five-year median of 19.0x) and 14.4x P/E (against a five-year median of 16.9x), respectively. That said, our outlook remains unchanged. Sentiment and stock prices are expected to remain volatile, and much will depend on what happens in Ukraine and China over the next few quarters.

## AVERAGE ANNUAL TOTAL RETURNS<sup>1</sup> (as at 31 May 2022)

	Since Inception	1 Month	1 Year	3 Year	5 Year	YTD
<b>Fund</b>	3.70%	-6.84%	-18.78%	2.88%	3.72%	-23.60%
<b>Benchmark</b>	6.35%	-10.43%	-11.11%	5.98%	6.53%	-16.63%

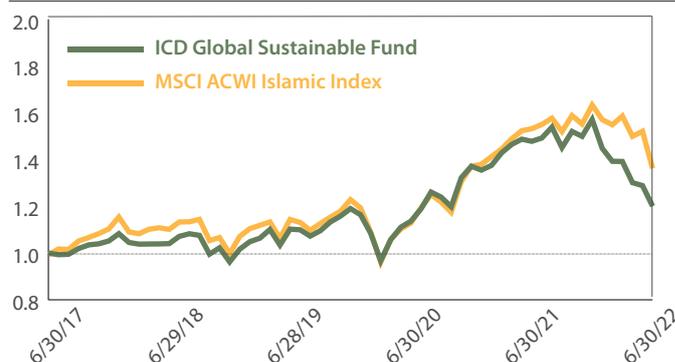
Source: Bloomberg, Saturna Sdn Bhd

## SECTOR ALLOCATION



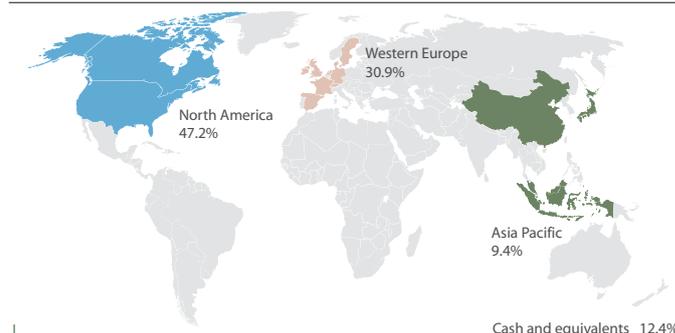
Source: Saturna Sdn Bhd Sector weightings are shown as a percentage of Fund assets.

## COMPARATIVE PERFORMANCE



Source: Bloomberg

## GEOGRAPHIC EXPOSURE



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

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<sup>1</sup> Including Dividends



## TOP 10 HOLDINGS

Johnson & Johnson	3.39%
Microsoft	3.27%
L'Oreal	3.22%
Norfolk Southern	2.89%
Novo Nordisk	2.71%
Pfizer	2.67%
TJX Companies	2.47%
Genuine Parts	2.43%
Intel	2.38%
Qualcomm	2.17%
HP	2.08%

Source: Saturna Sdn Bhd Security weightings are shown as a percentage of Fund assets.

## INVESTMENT STRATEGY

To achieve its objective, the Fund invests in a diversified global portfolio of sustainable *Shariah*-compliant equities. At least 70% of the Fund's NAV will be invested in sustainable *Shariah*-compliant equities, and up to 30% of the Fund's NAV will be invested in Islamic liquid assets including Islamic money market instruments, Islamic deposits with Islamic financial institutions, and collective investment schemes including ICD Money Market Fund. Asset allocation decisions are continuously made and reviewed based upon global economic and financial trends.

Company 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-to-earnings ratio, and net tangible asset multiples.

The Fund's investments comply with the *Shariah* requirements of the *Shariah* Advisory Council of the SC for Malaysian securities as well as the AAOIFI *Shariah* standards for all other foreign securities.

## CONTACT DETAILS

### Manager

#### Saturna Sdn Bhd

Suite 5.03, 5th Floor,  
Menara Atlan  
161-B Jalan Ampang, 50450 Kuala Lumpur

Tel: 03-2164 5303  
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Email: [info@saturna.com.my](mailto:info@saturna.com.my)  
Website: [www.saturna.com.my](http://www.saturna.com.my)

### Adviser to the Manager

#### Islamic Corporation for the Development of the Private Sector

P.O. Box 54069  
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Saudi Arabia  
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E-mail: [icd\\_mmf@isdb.org](mailto:icd_mmf@isdb.org)

## TARGET INVESTORS

The Fund is suitable for investors who are looking for:

- A global *Shariah*-compliant equity portfolio
- Capital appreciation and income
- Diversification and exposure to the global equity markets
- A long-term investment outlook
- Ringgit hedge

## SUMMARY OF KEY TERMS

<b>Fund Size (30-JUN-2022)</b>	USD 47.15 million
<b>Minimum Investment</b>	USD 5,000
<b>Minimum Increment</b>	USD 1,000
<b>Type of Product</b>	Open-ended (Unit Trust Fund)
<b>Fund Category</b>	<i>Shariah</i> -Compliant Equity
<b>Fund Type</b>	Growth and Income
<b>Term</b>	Daily Liquidity
<b>Target Region</b>	Global
<b>Manager</b>	Saturna Sdn Bhd
<b>Trustee</b>	SCBMB Trustee Berhad
<b>Shariah Advisor</b>	Amanie Advisors Sdn Bhd
<b>Auditor</b>	Crowe Malaysia PLT
<b>Tax Agent</b>	Crowe KL Tax Sdn Bhd
<b>Administration Fee</b>	0.25% Per annum of the NAV of the Fund
<b>Distribution Fee</b>	Up to 0.25% Per annum of the NAV of the Fund (on a reimbursement basis)
<b>Trustee Fee</b>	0.05% Per annum of the NAV of the Fund
<b>Performance Fee</b>	10% of the change in gross asset value that cumulatively increases or decreases, excluding subscriptions and redemptions, for each day in the financial year
<b>No Direct Fees or Charges</b>	No charges for Sales, Redemption, Transfer, or Switching

**Disclaimer:** Investors are advised to read and understand the contents of the Fund's prospectus (dated 23 June 2017 for ICD Global Sustainable Fund) and its Product Highlights Sheet, obtainable at our offices and our website, before investing. The prospectus has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. Investors should also consider the fees and charges involved. The price of units and investment returns may go down as well as up. Past performances of the Fund are not an indication of the Fund's future performances. Units will only be issued upon receipt of the application from accompanying the prospectus. There are risks involved with investing in unit trust funds. Some of these risks associated with investments in unit trust funds are market risk, non-compliance risk, performance risk, equity securities risk, operational risk, price level risk, large and mid-size company risk, concentration risk, country risk, political risk, currency risk, active investment risk, and reclassification of *Shariah* status risk. For further details on the risk profile of the Fund, please refer to the Risk Factors section in the prospectus.

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