



## FUND FACTS

<b>ISIN Code</b>	MYU9200AA005
<b>Bloomberg Ticker</b>	SSBWAEF MK
<b>Currency</b>	Ringgit Malaysia (MYR)
<b>Benchmark</b>	Dow Jones Islamic Market ASEAN Index
<b>Fund Inception Date</b>	07 February 2014
<b>Retail Launch Date</b>	25 January 2017

## ECONOMIC OUTLOOK

The FTSE Bursa Malaysia KLCI Index was relatively resilient during the third quarter, down only -1.88% (including dividends) in local currency terms. The market gained in July on expectations of a less hawkish Federal Reserve, then took another leg up in August following the release of gross domestic product (GDP) numbers for the second quarter, which showed that the economy grew 8.9% compared with 5% the quarter before. However, stock prices weakened considerably in September, in line with rising fears over the possibility of an imminent global recession.

Like the KLCI, the Straits Times Index was bid up in July and August before weakening significantly in September, finishing the quarter at 2.37% (including dividends) in local currency terms. Investors were encouraged by the continued reopening of the economy, which took place without any significant COVID-19 outbreaks, and advanced second quarter GDP growth estimates of 4.8% (compared with over 4% in the first quarter). But investors were later spooked by global interest rate hikes, which could lead to recession.

Market direction is expected to be volatile for Southeast Asian nations overall, with investors weighing the positive catalysts of continued post-COVID economic normalisation against the possibility of higher-than-expected inflation, prolonged war in Ukraine, accelerated interest rates hikes, and a US/global recession.

Food and fuel inflation are likely to remain elevated over the near- to medium-term while supply chains remain fragile, putting pressure on corporate profits. Meanwhile, central banks will have to continue fighting inflation while keeping an eye on growth. It appears that the former will be prioritised, and the latter will be sacrificed. Sentiment and stock prices will likely remain volatile with a downward bias as global economies begin to contract and corporate earnings soften.

A resolution to the war in Ukraine, easing of sanctions on Russia, and China ending its zero-tolerance policy on COVID would certainly ease global inflation. All would boost global economic growth and market valuations, but none seem likely to happen at this time. However, a Fed interest rate pivot in 2023 could be possible. If a US/global slowdown threatens to turn into a hard landing, the Fed and other central banks may ease or signal an easing of monetary policies. This could catalyse a significant market rally.

## AVERAGE ANNUAL TOTAL RETURNS

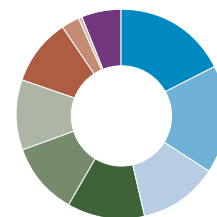
(as at 30 September 2022)

	Since Inception	1 Month	YTD	1 Year	3 Year	5 Year
<b>Fund<sup>1</sup></b>	1.17%	-3.70%	-7.74%	-5.61%	0.06%	-0.39%
<b>6.00% Per Annum Annual Return</b>	n/a	0.50%	4.50%	6.00%	6.00%	6.00%
<b>Dow Jones Islamic Market ASEAN TR</b>	3.54%	-2.76%	-5.10%	-0.82%	2.45%	0.89%

Source: Bloomberg, Saturna Sdn Bhd

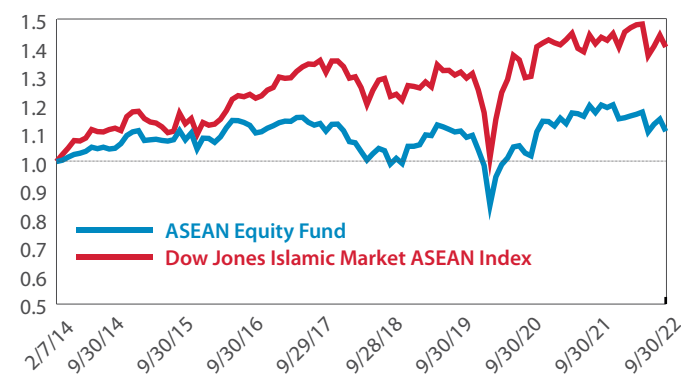
## SECTOR ALLOCATION (as at 30 September 2022)

Communications	17.62%	■
Financials	16.81%	■
Industrials	12.22%	■
Consumer Discretionary	11.68%	■
Health Care	11.31%	■
Consumer Staples	10.71%	■
Technology	10.23%	■
Utilities	2.99%	■
Materials	0.58%	■
Cash	5.85%	■



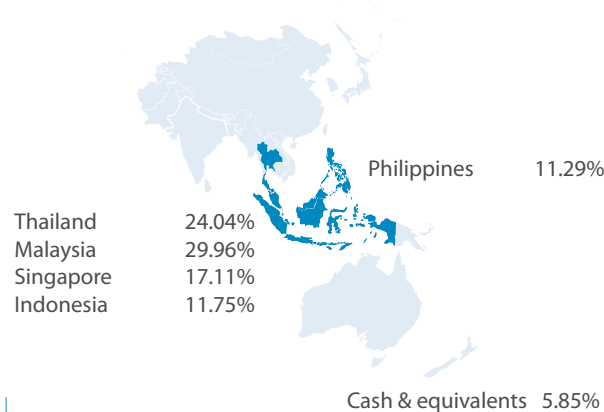
Source: Saturna Sdn Bhd Sector weightings are shown as a percentage of Fund assets.

## COMPARATIVE PERFORMANCE



Source: Bloomberg

## COUNTRY ALLOCATION (as at 30 September 2022)



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



## INVESTMENT STRATEGY

The ASEAN Equity Fund invests in a diversified portfolio of *Shariah*-compliant equities across the ASEAN region. Asset allocation decisions are made after a review of fundamental and macroeconomic trends in the Southeast Asian economies. At least 70% of the Fund's NAV is in *Shariah*-compliant equities in ASEAN countries, and up to 30% of the Fund's NAV is in Islamic liquid assets including Islamic money market instruments and Islamic deposits with Islamic financial institutions.

The Fund follows a value-oriented investment style, favouring companies with potential for earnings growth. The Manager analyses economic growth rates, interest rates, inflation, currencies, and government policies. Stock selection criteria include improving fundamentals and solid growth potential at reasonable valuations. Generally, the Fund invests for the long-term, with annual portfolio turnover not expected to exceed 30%.

## TARGET INVESTORS

The Fund is suitable for investors who are looking for:

- An ASEAN *Shariah*-compliant equity portfolio
- Capital gains of the units
- Diversification and exposure to the ASEAN equity markets
- A long-term investment outlook

## CONTACT DETAILS

### Manager

#### Saturna Sdn Bhd

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**Disclaimer:** Investors are advised to read and understand the contents of the Fund's prospectus (dated 12 February 2018 for ASEAN Equity 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.

## TOP 10 HOLDINGS (as at 30 September 2022)

Wilcon Depot	5.05%
Airports Of Thailand	4.62%
UMS Holdings	4.51%
AEF AFFIN SHORT TERM MUDHARABAH	4.09%
Telkom Indonesia	4.02%
Chularat Hospital PCL	3.97%
Plan B Media Public Company Foreign	3.57%
ComfortDelGro Corp. Ltd.	3.41%
Syarikat Takaful Malaysia Keluarga	3.30%
Delta Electronics (Thailand) PCL	3.08%
Axis Real Estate Investment Trust	3.02%

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

## SUMMARY OF KEY TERMS

<b>Fund Size (30-SEP-2022)</b>	MYR 12.53 million
<b>Minimum Investment</b>	MYR 2,000
<b>Minimum Increment</b>	MYR 200
<b>Type of Product</b>	Open-ended (Unit Trust Fund)
<b>Fund Category</b>	<i>Shariah</i> -Compliant Equity
<b>Fund Type</b>	Growth
<b>Domicile</b>	Malaysia
<b>Term</b>	Daily Liquidity
<b>Target Region</b>	ASEAN
<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