



ICD GLOBAL SUSTAINABLE FUND

FUND FACTS

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

ECONOMIC OUTLOOK

The fourth quarter of 2022 saw markets rebounding, though with significant volatility. But in the last week of October, markets rallied after several Federal Reserve officials signaled a potential pause on further hikes in 2023 to assess how the economy may react to the monetary tightening already underway.

Meanwhile, the Bank of Canada raised rates by only 50 basis points (bps) instead of the expected 75 bps on mounting recession fears. The European Central Bank noted that substantial progress had already been made by withdrawing monetary policy accommodation. Markets remained bullish in November, backed by a lower than expected US Consumer Price Index (CPI) reading for October and a generally weakening manufacturing environment. Thus "bad" was perceived as being good.

Interestingly, December saw markets trending back down as strong US economic data dampened hopes for a premature end to monetary tightening. Among other negatives were an additional interest rate hike by the Fed and the guidance from both the US and European central banks that interest rates would likely have to stay higher for longer. At the same time, there was growing nervousness over the reversal of China's zero-COVID policies, sparking fears of further disruptions to global supply chains. Nonetheless, equity losses in December only partially offset earlier gains. The S&P 500 and MSCI All Country World Index finished the quarter up 7.56% and 9.88%, respectively, while the MSCI Emerging Markets Index rose 9.70%. For the six-month period ended December 31, 2022, the three indices returned 2.31%, 2.51%, and -2.99% respectively.

Global equity valuations seem to have stabilized in the second half of 2022. As of writing, S&P 500 and MSCI All Country World valuations remain reasonably attractive at 17.5x P/E (against a five-year median of 18.4x) and 14.7x P/E (against a five-year median of 16.3x), respectively. That said, sentiment and stock prices are likely to remain volatile with a downward bias as global economies begin to contract and corporate earnings begin to soften. Europe is likely in a recession already and the US could land in one, though it remains to be seen whether that would be a hard or soft landing. Our bias is toward a soft landing, as we believe the Fed and other central banks may signal an easing of monetary policies if economic conditions get considerably worse.

Inflation would likely moderate but stay at elevated levels in 2023. For instance, housing and energy prices are coming off in the US and are a key component of the CPI. Core CPI, excluding energy and food, remains high, and wage growth is more persistent. Interest rate paths would depend on inflationary paths, with the Fed signaling for more increases to come in 2023. The Ukraine-Russia conflict remains a significant wild card. More positive is the recent reopening of China's economy and borders, which is expected to boost global economic growth in the mid- to long-term, albeit with some short-term hiccups as COVID cases in China spike.

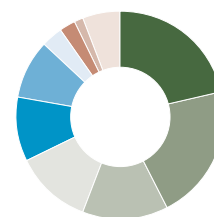
AVERAGE ANNUAL TOTAL RETURNS¹ (as at 31 Jan 2023)

	Since Inception	1 Month	1 Year	3 Year	5 Year	YTD
Fund	4.55%	4.35%	-11.32%	3.33%	3.46%	4.35%
Benchmark	7.61%	5.88%	-3.90%	8.15%	5.57%	5.88%

Source: Bloomberg, Saturna Sdn Bhd

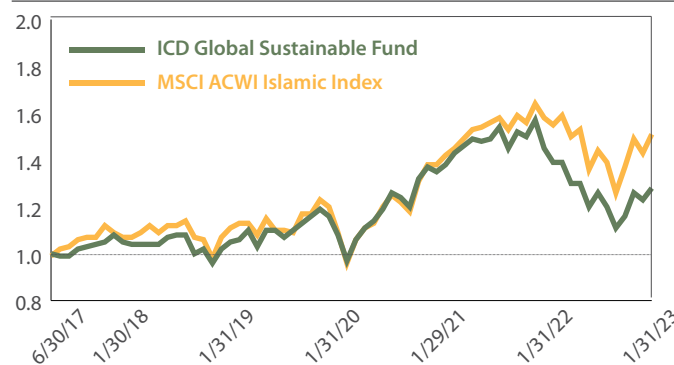
SECTOR ALLOCATION

Health Care	21.57%	■
Technology	20.95%	■
Consumer Discretionary	13.40%	■
Industrials	11.95%	■
Consumer Staples	10.15%	■
Materials	8.95%	■
Financials	3.42%	■
Communications	2.63%	■
Energy	1.15%	■
Cash	5.83%	■



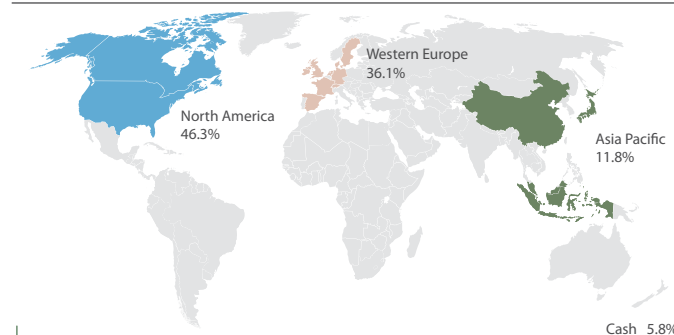
Source: Saturna Sdn Bhd Sector weightings are shown as a percentage of Fund assets.

COMPARATIVE PERFORMANCE



Source: Bloomberg

GEOGRAPHIC EXPOSURE



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

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¹ Including Dividends
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TOP 10 HOLDINGS

L'Oreal	3.58%
TJX Companies	3.38%
Novo Nordisk A/S - B	3.14%
Microsoft	2.95%
Johnson & Johnson	2.92%
Genuine Parts	2.86%
Infineon Technologies AG	2.48%
Union Pacific	2.43%
Industria de Diseno Textil	2.28%
TE Connectivity	2.14%
Prologis Inc	2.13%

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

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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

Fund Size (31-JAN-2023)	USD 50.45 million
Minimum Investment	USD 5,000
Minimum Increment	USD 1,000
Type of Product	Open-ended (Unit Trust Fund)
Fund Category	<i>Shariah</i> -Compliant Equity
Fund Type	Growth and Income
Term	Daily Liquidity
Target Region	Global
Manager	Saturna Sdn Bhd
Trustee	SCBMB Trustee Berhad
Shariah Advisor	Amanie Advisors Sdn Bhd
Auditor	Crowe Malaysia PLT
Tax Agent	Crowe KL Tax Sdn Bhd
Administration Fee	0.25% per annum of the NAV of the Fund
Distribution Fee	Up to 0.25% per annum of the NAV of the Fund (on a reimbursement basis)
Trustee Fee	0.05% per annum of the NAV of the Fund
Performance Fee	10% of the change in gross asset value that cumulatively increases or decreases, excluding subscriptions and redemptions, for each day in the financial year
No Direct Fees or Charges	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 which 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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