



# Saturna ASEAN Equity Fund

Annual Report

For the Financial Year Ended  
31 December 2023

*A Qualified Sustainable & Responsible Investment Fund*

**Fund Manager**

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**Trustee**

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

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# 1. FUND MANAGER'S REPORT

## FUND NAME

Saturna ASEAN Equity Fund ("the Fund")

## TYPE OF FUND

Growth Fund

## CATEGORY OF FUND

Shariah-compliant Equity

## INVESTMENT OBJECTIVE

To achieve long-term capital growth by investing in South-East Asian markets.

## DISTRIBUTION POLICY

Subject to availability of income, distributions will be made on a yearly basis.

Any distributions shall 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 via cash payment. 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 Ringgit Malaysia ("RM") based on the bid exchange rate quoted by Bloomberg at United Kingdom time 4.00 p.m. the same day.

## PERFORMANCE BENCHMARK

6% absolute return ("the Benchmark").

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

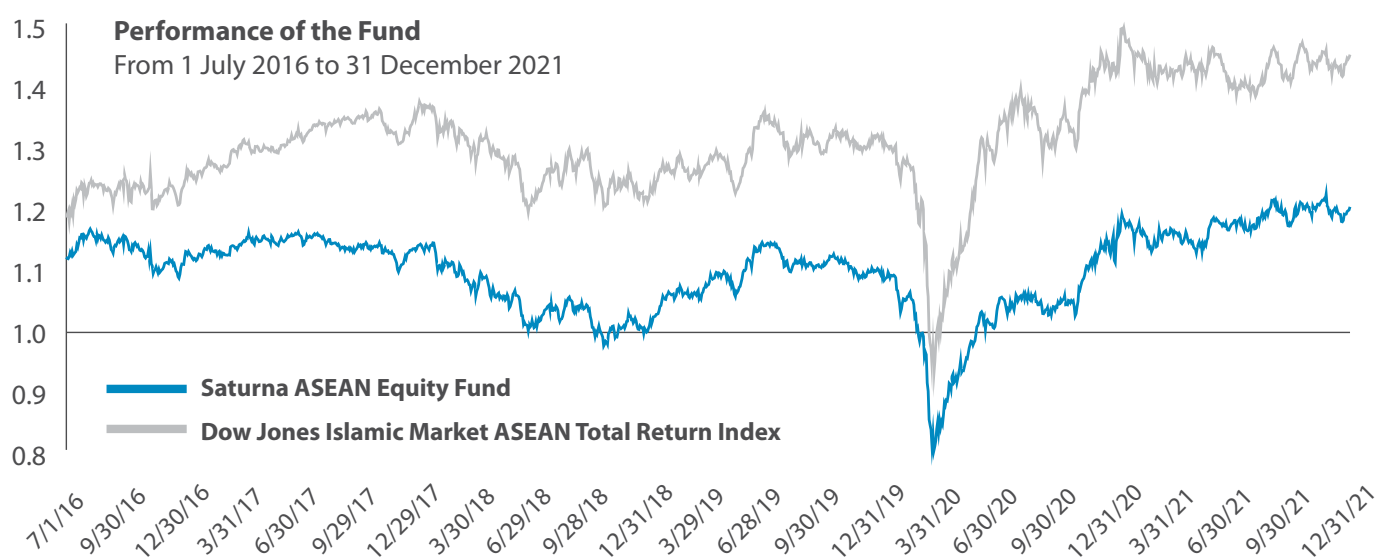
## FUND PERFORMANCE

In 2023, the Fund registered a return of +4.00% compared to the benchmark's +6.00%. Underperformance was due to general market weakness across ASEAN from a weaker than expected China recovery, high global inflation, and rising interest rates.

Given our long-term perspective and fundamentals-driven investment strategy, we are committed to meeting the investment objective of the Fund. Since the Fund's inception, it has achieved its objective of long-term capital growth through investment in ASEAN markets.

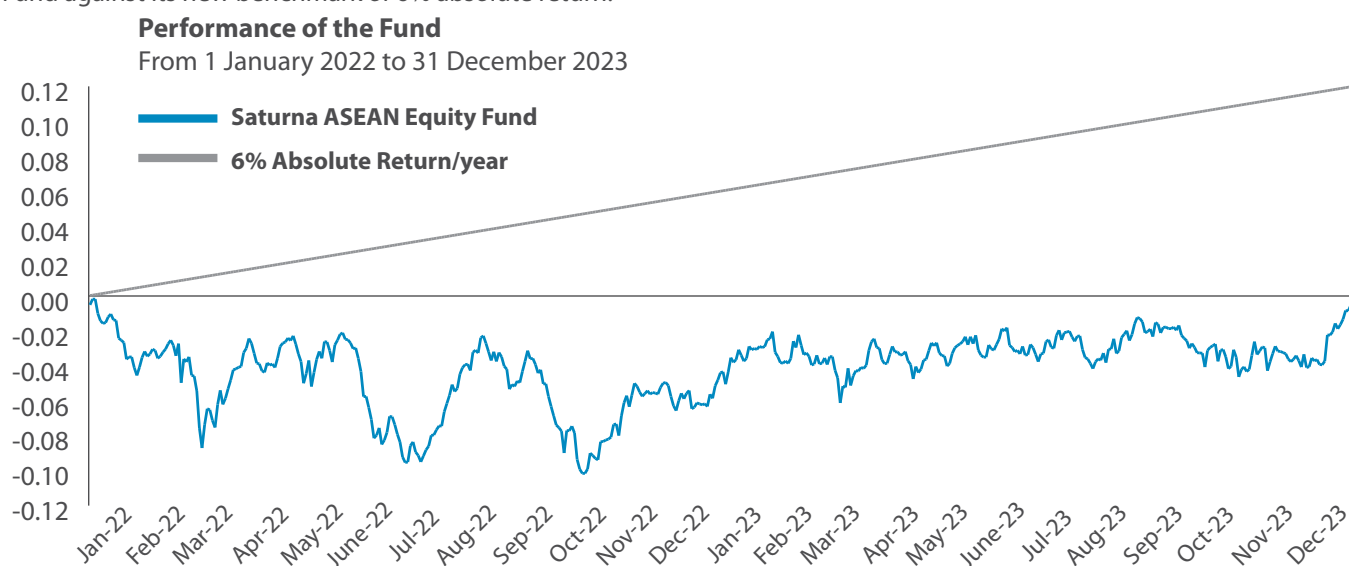
The capital growth in the accompanying graphs indicate the Fund's performance based on NAV per unit, excluding income distribution.

The first graph compares the five-year performance of the Fund against the Dow Jones Islamic Market ASEAN Total Return Index (DJIM ASEAN TRI) until the end of 2021. Beginning 2022, we changed the benchmark to 6% absolute return, as DJIM ASEAN TRI was not truly reflective of the Fund characteristics. In the second graph below, we highlight the performance of the



Source: Bloomberg      Benchmark: Dow Jones Islamic Market ASEAN Total Return Index (DJIM ASEAN TRI)

Fund against its new benchmark of 6% absolute return.



Source: Bloomberg      Benchmark: 6% absolute return/year effective January 1, 2022

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

## FINANCIAL PERFORMANCE

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2021
Net Asset Value (RM)	18,798,351	16,462,314	13,545,486
Units in Circulation (units)	17,577,698	15,716,336	12,075,345
Net Asset Value / unit (RM)	1.0694	1.0475	1.1217
Highest NAV / unit (RM)	1.0913	1.1197	1.1771
Lowest NAV / unit (RM)	1.0331	1.0078	1.0836
Total Return			
Capital growth	2.09%	-6.61%	1.90%
Income distribution	1.91%	1.80%	3.14%
Final Distribution			
Gross Distribution/unit	0.020	0.020	0.035
Net Distribution/unit	0.020	0.020	0.035
Date of Distribution	27 December 2023	28 December 2022	29 December 2021
Portfolio Composition			
Quoted Equity Securities	94.49%	75.36%	93.29%
Other Liquid Assets	5.51%	24.64%	6.71%
Total Expense Ratio	1.06%	0.72%	1.21%
Total Expense Ratio (excluding Performance Fee)	0.74%	0.72%	0.71%
Portfolio Turnover Ratio	0.28 times	0.06 times	0.06 times
Official Launching Date	7 February 2014	7 February 2014	7 February 2014
Conversion to unit trust fund	25 January 2017	25 January 2017	25 January 2017

### Total Expense Ratio

The total expense ratio for the financial year is 1.06%

Total Expense Ratio is derived from the following calculation:

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

A = Administration Fee	E = Audit Fee
B = Distribution Fee	F = Tax Agent's Fee
C = Trustee Fee	G = Other Expenses
D = Performance Fee	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 RM20,000,745.57.

During the current financial year, the increase in TER is due to performance fee incurred.

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

### Portfolio Turnover Ratio

The portfolio turnover ratio for the financial year is 0.28 times.

During the current financial year, the increase in PTR is due to higher trading activities.

The portfolio turnover ratio is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial year} + \text{Total disposal for the financial year}) \div 2}{\text{Average NAV of the Fund for the financial year calculated on a daily basis}}$$

Where:

total acquisition for the financial year = RM 8,104,299.08

total disposal for the financial year = RM 3,058,520.35

### ANNUAL TOTAL RETURNS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER (in %)

Total Return is based on NAV to NAV with distribution reinvested. Below is the Total Return of the Fund as at 31 December 2023 since inception.

	(1 Jan 23 – 31 Dec 23)	(1 Jan 22 – 31 Dec 22)	(1 Jan 21 – 31 Dec 21)	(1 Jan 20 – 31 Dec 20)	(1 Jan 19 – 31 Dec 19)
<b>The Fund</b>	<b>4.00%</b>	<b>-4.81%</b>	<b>5.04%</b>	<b>4.53%</b>	<b>9.93%</b>
<b>6% Absolute Return/DJIASNT</b>	<b>6.00%</b>	<b>6.00%</b>	<b>2.33%</b>	<b>8.18%</b>	<b>7.71%</b>

*\* Effective January 1st, 2022, the benchmark was changed to 6% absolute annual return. We will adjust the performance results going forward only from that date. Prior to 2022, The Dow Jones ASEAN Total Return Index was used.*

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

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

### AVERAGE TOTAL RETURN (in %)

Average Total Return is derived by the formula:

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

	1-year (1 Jan 23 – 31 Dec 23)	3-year (1 Jan 21 – 31 Dec 23)	5-year (1 Jan 19 – 31 Dec 23)	Since Inception (7 Feb 14 – 31 Dec 23)
<b>The Fund</b>	<b>4.00%</b>	<b>1.33%</b>	<b>3.90%</b>	<b>1.89%</b>
<b>6% Absolute Return/ Dow Jones ASEAN TR</b>	<b>6.00%</b>	<b>4.78%</b>	<b>6.24%</b>	<b>5.74%</b>

*Unit prices and returns may fluctuate; past performance is not necessarily indicative of future performance.*

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

## STOCK MARKET REVIEW

Markets were strong in 2023 despite significant bouts of volatility. Investors grappled with changes in interest rates and economic data releases. The US Federal Reserve, in particular, seemed to send mixed messages about global inflation and growth prospects.

Amid the uncertainty, a consensus emerged: peak inflation had likely passed, the Fed and other global central banks were close to ending their interest rate hikes sequence, and any recession (US or global) would likely be gradual and shallow. Data releases supported these views, showing strength across several economic indicators. The Fed decided to stand pat on interest rates in its June and December meetings. Meanwhile, inflation continued to trend down. The European Central Bank also opted for unchanged interest rates in its December 2023 meeting, making it the second consecutive meeting of the ECB where rates were not changed.

Against a prevailing view of three Fed interest rate cuts in 2024, lower projected inflation in Europe, and a likelihood of lower interest rates, corporate earnings were generally healthy. This gave investors the necessary fortitude to drive markets up during the year despite continued US-China tensions, China's slower-than-expected economic rebound after reopening post its zero-COVID regulations, the ongoing conflict between Russia and Ukraine, and very weak eurozone growth. The conflict in Israel and the Gaza strip starting in October was largely shrugged off by equity markets. For calendar 2023, the S&P 500 spiked 26.3%, MSCI All Country World Index grew 22.8%, and the STOXX Europe 600 Index rose 20.4%.

Although emerging markets were up, they significantly underperformed the S&P 500 and the MSCI All Country World Index. For calendar 2023, the MSCI Emerging Markets Index rose 9.8% while the MSCI Asia Pacific Index increased by 11.9%. The underperformance was mainly due to weakness in the Chinese economy and its equities. Notably, the MSCI China Index fell -11.1%. Not surprisingly, the MSCI ASEAN Index, which has an outsized exposure to China, was also weak, rising only 0.8%.

## ASEAN Stock Market Review

### Malaysia

In 2023, the FTSE Bursa Malaysia KLCI Index bucked the trend of strong global markets, rising by only 1.3% in local currency terms and falling -2.8% in US dollar terms. Underwhelming corporate earnings and a disappointing government budget, which was perceived to be lacking in pro-growth initiatives, detracted from performance. Softness in China's economy and weakness in the ringgit (which depreciated by roughly -4% against the US dollar in 2023) also hurt sentiment. Against these adverse developments, the government did announce several economic stimulus and infrastructure plans and recorded victories in state and Parliamentary by-elections which strengthened its mandate. Going forward, the market's direction is likely to depend on the government's ability to execute its infrastructure and stimulus programs. Any reversal in dollar strength, concomitant commodity price uptick, and acceleration in China's economic growth would be positive for Malaysia.

### Singapore

Singapore's Straits Times Index rose 4.7% in local currency terms and 6.3% in US dollar terms. While domestic economic fundamentals were generally weak during 2023, moderating US inflation boosted investor sentiment and raised hopes of interest rate cuts in 2024. Additionally, Singapore enjoyed decent third quarter earnings, which saw a 4:3 ratio in favour of positive earnings surprises and beat the third quarter GDP growth print of 1.1%, all of which drove markets higher. The Index is likely to continue to take direction from the US markets in the short to medium term. Investors will be keeping a close watch on US growth, inflation, and interest rates. Any developments in China's economy will also be closely monitored.

### Thailand

Thailand's SET Index fell 13.19% in local currency terms and declined -11.20% in US dollar terms in 2023. Thailand's economy grew at a pace that was much slower than expected in 2023, driven by weak exports and government spending, offset by a slight uptick in tourism and healthy private consumption. The government is looking to introduce infrastructure and tourism-related stimulus packages to kick-start the economy. Investor confidence around Thailand remains low despite the end of a drawn-out political deadlock following the elections in May. Index performance in 2024 will likely depend on the return of tourists and investors to Thailand, as well as the US and Chinese economies.

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

### ASEAN Stock Market Review *(continued)*

#### Indonesia

The Jakarta Composite Index rose 10.22% in local currency terms and 12.20% in US dollar terms in 2023. Indonesia's economic growth is expected to surpass 5% in 2023 as inflation continues to ease and domestic demand growth picks up. As of November 2023, inflation in Indonesia fell to 2.6%, which was within the Bank of Indonesia's target range. Indonesia's economy is expected to grow another 5% in 2024, driven by growth in private consumption, continued recovery in tourism, and higher services exports (although lower commodity prices are expected to hamper exports of goods). The presidential election on 14 February 2024 could impact the continuation of some of the government projects.

#### Philippines

The Philippines Stock Exchange Index returned a modest 1.74% in local currency terms and 2.50% in US dollar terms in 2023. Recent economic data indicates that the Philippines economy continues to show robust expansion driven by government spending, with GDP growing by 5.9% in the third quarter of 2023, close to the government's 6%-7% target. In November 2023, the Philippines Manufacturing PMI rose to 52.7, signaling continued expansionary conditions. Easing travel restrictions allowed a gradual recovery of international tourism, with international arrivals estimated to rise from 2.6 million in 2022 to 4.8 million in 2023. For 2024, Philippines revised its target growth to 6.5%-7.5%. To support growth, the government will likely pass a stimulus budget of nearly six trillion pesos (\$108 billion).

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

### MARKET OUTLOOK AND INVESTMENT STRATEGY

The S&P 500's price-to-earnings ratio re-rated to 21.8x, above its five-year median of 20x, a reflection of the strong market performance in 2023 and elevated investor optimism. The MSCI All Country World Index recorded a P/E of 18.4x, above its five-year median of 17.2x. While it could be argued that a key driver of US market performance was the rally in mega-cap Technology stocks, the equal-weighted S&P 500 was up 11.85% for calendar 2023.

Markets seem to have mostly priced in an expected soft landing for the US economy and lower inflation and interest rates due to the combination of a three-year projected earnings per share (EPS) growth of about 10% for the S&P 500 companies, with expected 2024 US gross domestic product (GDP) growth of 1.3% and inflation of 2.6%. This is also reflected in the spread between the 10-year and two-year Treasury yields, which ended 2023 in negative territory but had narrowed significantly since mid-2023. Investors are still nervous about the possibility of a US recession, but not as nervous as they were several months ago. Macro prospects for the eurozone are also expected to be positive, with projected 2024 growth of GDP at 0.5% and consumer price index (CPI) at 2.6%, much lower than the prior 5.5% projection for 2023.

While there is indeed cause for optimism, there are still many reasons for caution. China is still a wild card, given the structural issues affecting its economy. The country's problems in its Real Estate sector are still unresolved and likely to drag on growth on a global scale. Meanwhile, the Russian-Ukrainian war, which has contributed to food and fuel inflation over the past two years, shows no sign of ebbing. Recent tensions in the Middle East are expected to persist and could escalate, further disrupting global energy markets and supply chains. Therefore, higher than expected global inflation and lower than expected growth cannot be ruled out. With valuations at higher than historical median levels, any unexpected macro disappointment could result in significant equity price downside.

With countries including Brazil, Indonesia, the UK, and the US holding elections in 2024, more than half of the world's population is expected to go to the polls. The presidential election in the US could have significant implications for global economies and equity markets – especially if Donald Trump returns as president and were to escalate the trade war with China. As of writing, Trump currently leads incumbent Joe Biden in polls.

A saving grace for southeast Asia is the MSCI ASEAN Index's low P/E valuation of 14x, compared to its five-year median of 16x. Further, the Index's estimated dividend yield of ~4% is close to a full percentage point higher than the historical median of ~3%, which compares very favourably with the S&P 500's 1.5% and the MSCI All Country World Index's 2.1%.

In closing, sentiment and stock prices are likely to remain volatile as different macroeconomic forces continue to play out. An emphasis on quality would make sense and is consistent with Saturna's bottom-up investing approach, which is focused on finding fundamentally solid and reasonably priced equities with secular growth drivers. Additionally, Saturna has a sustainability and Shariah-focus, which prioritizes companies with low debt and an inclination for doing what is right for their stakeholders. These characteristics should enhance portfolio resilience under most market conditions and over different investment horizons. We will continue to deploy the available cash as opportunities arise.

### SUSTAINABLE AND RESPONSIBLE INVESTMENT FUNDS ("SRI")

The Fund is a qualified Sustainable and Responsible Investment (SRI) fund under the Securities Commission Malaysia's Guidelines on SRI Funds ("Guidelines"). In the opinion of the Manager, the Fund, for the financial period under review, has complied with the requirements of the Guidelines on SRI Funds based on Saturna's comprehensive Environmental, Social and Governance (ESG) investment process. The investments of the Fund will be subject to the ESG integration methodology, including the selection, retention, and realisation of the Fund's investments.

The Manager considers issuers with sustainable characteristics to be those issuers that are generally larger, more established, consistently profitable, financially strong, and with low exposure to ESG risks. The underlying investments are consistent with the Fund's sustainable characteristics, i.e. the selected issuers must have sustainable profits, strong balance sheets, management strength, high-quality operations, risk consciousness, low debt, and established business. For the period under review, none of the Fund's underlying investments are inconsistent with the SRI requirements. The Manager adopts its own sustainable rating system, as well as relies on third party data to identify companies believed to present low ESG risk profiles. In addition, the Manager uses negative screening to exclude security issuers primarily engaged in higher ESG risk and Shariah non-compliant businesses such as alcohol, pornography, weapons, gambling, and fossil fuel extraction.

The sustainability aspects of the Fund's portfolio are reviewed periodically to ensure the investments of the Fund are consistent with the adopted sustainability considerations. If the companies that the Fund invests in show persistent deterioration in their ESG factors and become inconsistent with any other sustainability considerations, the said investments shall be disposed of, within an appropriate timeframe.

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

## ASSET ALLOCATION OF THE FUND

By Country	31 December 2023	31 December 2022	31 December 2021
<i>Malaysia</i>	% of NAV	% of NAV	% of NAV
Communications	5.25	5.38	5.00
Consumer Discretionary	0.88	-	-
Consumer Staples	4.14	3.06	2.58
Financials	7.74	7.31	9.45
Health Care	6.77	4.06	5.65
Industrials	-	1.20	2.04
Technology	0.90	-	-
	<b>25.68</b>	<b>21.01</b>	<b>24.72</b>
<i>Indonesia</i>			
Communications	3.04	2.39	3.23
Consumer Discretionary	2.31	1.59	3.82
Consumer Staples	2.41	2.67	3.83
Health Care	2.39	2.14	2.07
Industrials	-	-	-
Materials	-	-	-
	<b>10.15</b>	<b>8.79</b>	<b>12.95</b>
<i>Singapore</i>			
Communications	4.09	2.72	2.01
Consumer Discretionary	4.19	2.46	3.19
Consumer Staples	4.15	1.86	1.22
Financials	-	-	-
Industrials	3.57	1.70	2.66
Technology	7.84	5.63	7.68
	<b>23.84</b>	<b>14.37</b>	<b>16.76</b>
<i>Thailand</i>			
Communications	5.48	5.16	6.29
Consumer Discretionary	1.23	0.69	0.47
Consumer Staples	1.81	1.80	2.66
Energy	-	-	-
Financial	0.80	0.65	0.94
Health Care	7.40	4.71	3.73
Materials	-	-	-
Industrials	5.40	6.87	5.51
Technology	3.31	2.34	5.30
	<b>25.43</b>	<b>22.22</b>	<b>24.90</b>
<i>Philippines</i>			
Communications	-	-	-
Consumer Discretionary	3.00	3.56	6.44
Consumer Staples	1.81	1.91	2.85
Industrials	0.35	0.45	0.66
Materials	-	0.45	0.80
Utilities	4.23	2.60	3.21
	<b>9.39</b>	<b>8.97</b>	<b>13.96</b>
<b>TOTAL</b>	<b>94.49</b>	<b>75.36</b>	<b>93.29</b>
Cash & Other Liquid Assets	5.51	24.64	6.71
<b>GRAND TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

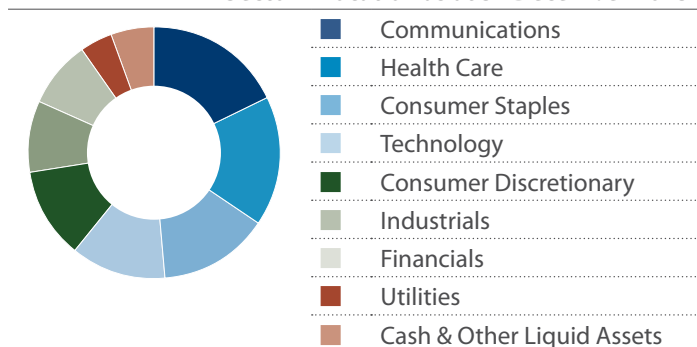
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# 1. FUND MANAGER'S REPORT *(continued)*

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

Sector	31 December 2023 % of NAV	31 December 2022 % of NAV	31 December 2021 % of NAV
Communications	17.86	15.65	16.53
Consumer Discretionary	11.61	8.30	13.92
Consumer Staples	14.32	11.30	13.14
Energy	-	-	-
Financials	8.54	7.96	10.39
Health Care	16.56	10.91	11.45
Industrials	9.32	10.22	10.87
Materials	-	0.45	0.80
Technology	12.05	7.97	12.98
Utilities	4.23	2.60	3.21
Cash & Other Liquid Assets	5.51	24.64	6.71
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

**Sector Allocation as at 31 December 2023**



## Fund performance from 1 January 2023 to 31 December 2023

	31 December 23 RM	31 December 22 RM	% Change
<b>Total NAV (Inclusive of Injection)</b>	18,798,350.79	16,462,314.24	14.19
<b>NAV/unit</b>	1.0694	1.0475	2.09

NAV per unit at the end of 31 December 2023 increased by 2.09% compared with 31 December 2022. The Dow Jones Islamic Market ASEAN index fell by 1.32% over the same period. The markets started 2023 on a positive note with the MSCI Emerging Markets Index up 4.0% in Q1 2023 as China started to reopen their economy and inflation starts to cool down. Reflecting the strong market performance in 2023 and elevated investor optimism, a key driver of market performance has been the rally in mega-cap technology stocks in the United States.

## Top Five Investments as at 31 December 2023

Stock	% of NAV
UMS HOLDINGS	4.43%
MANILA ELECTRIC	4.23%
KPJ HEALTHCARE	4.17%
DELFI LTD	4.15%
CHULARAT HOSPITAL PCL	3.78%

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

## DETAILS OF DISTRIBUTION AND UNIT SPLIT

Financial Year	31 December 2023	31 December 2022
Date of Distribution	27 December 2023	28 December 2022
<b>Distribution per unit</b>		
Gross (RM)	0.020	0.020
Net (RM)	0.020	0.020
Net Asset Value before distribution (RM)	1.0911	1.0560
Less : distribution (RM)	(0.020)	(0.020)
Net Asset Value after distribution (RM)	1.0711	1.0360

The gross distribution per unit of 2.0 cents (net distribution of 2.0 cents) for the financial year ended 31 December 2023 had the effect of reducing the Net Asset Value (NAV) per unit before distribution of RM 1.0911 to a Net Asset Value per unit after distribution of RM 1.0711 on the distribution date of 27 December 2023.

**No unit split was declared for the financial year ended 31 December 2023.**

## CROSS TRADE TRANSACTIONS

Cross trade transactions occur when there are inter-fund transactions whereby an investment in one fund is bought by or sold to another fund simultaneously as both funds are managed by the same fund manager. There are no cross trade transactions undertaken for the Fund as this practice is disallowed by the Fund Manager.

## SECURITIES FINANCING TRANSACTIONS

The Fund has not undertaken any securities lending or repurchase transactions since the securities financing transactions are not permitted.

## STATE OF AFFAIRS

There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial period under review.

## CHANGES MADE TO THE FUND'S PROSPECTUS DURING THE FINANCIAL YEAR

A replacement Prospectus for Saturna ASEAN Equity Fund dated 11 October 2023 was issued during the financial year under review to reflect the various changes made to the Fund. Kindly refer to **Appendix I** for the full list of changes made to the Fund.

## 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, provided, however, that the Fund pays no brokerage commission or other charges on such trades.

## PURIFICATION

This is a voluntary provision due to non Shariah-compliant income generated by the companies i.e. riba-based loans and interest income. According to purification guidelines, as stipulated in the Prospectus, per unit amount comes to RM 0.0067859, if you owned units from 1 January to 31 December. 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 (RM)

If an investor holds 100,000 units of Saturna ASEAN Equity Fund since 1 January 2023, the calculation of amount to be purified as of 31 December 2023 would be 100,000 units x RM 0.0067859/ unit = RM 678.59.

## 2. TRUSTEE'S REPORT

### TO THE UNITHOLDERS OF SATURNA ASEAN EQUITY FUND

We have acted as Trustee for **Saturna ASEAN Equity Fund** ("the Fund") for the financial year ended 31 December 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **Saturna Sdn. Bhd.** ("the Manager") has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

- a) Limitations imposed on the investment powers of the management company under the deed(s), securities laws and the Guidelines on Unit Trust Funds;
- b) Valuation and pricing is carried out in accordance with the deed(s); and
- c) Any creation and cancellation of units are carried out in accordance with the deed(s) and any regulatory requirement.

We are of the opinion that the distribution of income by the Fund is appropriate and reflect the investment objective of the Fund.

For **SCBMB Trustee Berhad**  
(Company No: 201201021301)

**Lor Yuen Ching**  
Trustee Services Manager

**Lee Kam Weng**  
Trustee Services Manager

*Kuala Lumpur, Malaysia*  
22 February 2024

### 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 **SATURNA ASEAN EQUITY FUND** at 31 December 2023 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 A. Salam**

Director, Saturna Sdn Bhd



**Dato' Dr. Lee Chee Kuon**

Director, Saturna Sdn Bhd

22 February 2024



## 4. INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF SATURNA ASEAN EQUITY FUND

### Report on the Audit Of The Financial Statements

#### Opinion

We have audited the financial statements of Saturna ASEAN Equity Fund ("the Fund," formerly known as ASEAN Equity Fund), which comprise the statement of financial position as at 31 December 2023, 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 18 to 42.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2023, and of its financial performance and its cash flows 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.

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 intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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.

*Continued on next page.*

## 4. INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF SATURNA ASEAN EQUITY FUND (continued)

### Report on the Audit Of The Financial Statements (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, as a body, in accordance with the Securities Commission's Guideline on Unit Trust Funds in Malaysia 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**

03523/08/2024 J  
Chartered Accountant

*Kuala Lumpur*  
22 February 2024

## 5. SHARIAH ADVISER'S REPORT

### To the Unit Holders of Saturna ASEAN Equity Fund ("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 requirements 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 Gamuda Bhd, Sime Darby Bhd, Axiata Group, Telekom Malaysia and SATS Ltd which have been reclassified as Shariah non-compliant by the Shariah Adviser. While noted that Gamuda Bhd, Sime Darby Bhd and Axiata Group Bhd have been disposed on 25 July and 11 December 2024, Telekom Malaysia and SATS Ltd 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.

Thank you

For **Amanie Advisors Sdn Bhd**

**TAN SRI DR MOHD DAUD BAKAR**

Executive Chairman

*Kuala Lumpur*

22 February 2024

## 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 Fund so as to give a true and fair view of the financial position of the Fund as at 31 December 2023 and of its financial performance, the changes in net asset value, and the cash flows of the Fund for the year ended.

		As at 31 December 2023	As at 31 December 2022
	Note	RM	RM
<b>Investments</b>			
Quoted Equity Securities	4	17,763,313	12,403,875
Short-term Shariah-based deposits	5	315,445	723,012
		<b>18,078,758</b>	<b>13,126,887</b>
<b>Other Assets</b>			
Amount due from stockbrokers		-	-
Amount due from manager		-	-
Amount due from Distributors		46,336	48,755
Cash at bank		795,084	3,392,685
Other receivable		25,281	40,342
		<b>866,701</b>	<b>3,481,782</b>
<b>Total Assets</b>		<b>18,945,459</b>	<b>16,608,669</b>
<b>Liabilities</b>			
Amount due to manager		123,096	121,843
Amount due to trustee		806	624
Amount due to Unitholder Capital		-	200
Other payables		16,960	16,960
Current Tax Liabilities		6,246	6,728
		<b>147,108</b>	<b>146,355</b>
<b>Net asset value attributable to unit holders</b>	6	<b>18,798,351</b>	<b>16,462,314</b>
<b>Total equity and liabilities</b>		<b>18,945,459</b>	<b>16,608,669</b>
<b>Number of units in circulation</b>	6	<b>17,577,698</b>	<b>15,716,336</b>
<b>NAV per unit, ex-distribution</b>		<b>1.0694</b>	<b>1.0475</b>

## 7. STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

		1 January 2023 to 31 December 2023	1 January 2022 to 31 December 2022
	Note	RM	RM
<b>Income</b>			
Profit from short-term Shariah-based deposits		17,302	16,573
Gross dividend income		724,901	365,271
Gross dividend income from non-permissible securities		11,220	25,655
Net gain/(loss) on financial assets at fair value through profit or loss	4	488,668	(807,787)
Net (loss)/gain from non-permissible securities	4	(175,009)	(11,436)
Net loss on foreign exchange		(4,638)	(2,831)
		<b>1,062,444</b>	<b>(414,555)</b>
<b>Less: Expenses</b>			
Administration fee	7	49,982	32,532
Distribution fee	7	49,982	32,532
Performance fee	7	64,596	0
Trustee's fee	8	9,996	6,506
Safe Custody fee		4,905	3,262
Transaction Fee		5,074	220
Auditors' fee		13,000	13,000
Tax agent's fee		3,500	3,000
Other expenses		11,111	2,991
		<b>212,146</b>	<b>94,043</b>
<b>Net profit / (loss) before taxation &amp; purification</b>			
		<b>850,298</b>	<b>(508,598)</b>
Purification		(46,255)	(28,023)
<b>Net profit / (loss) before taxation &amp; after purification</b>		<b>804,043</b>	<b>(536,621)</b>
Taxation	9	(149,350)	(68,322)
<b>Net profit / (loss) after taxation &amp; purification</b>		<b>654,693</b>	<b>(604,943)</b>
<b>Net profit/(loss) after taxation is made up as follows:</b>			
Realised Income		<b>313,208</b>	<b>175,910</b>
Unrealised income/ (loss), net		<b>341,485</b>	<b>(780,853)</b>
<b>Distribution during the financial year</b>			
	10	<b>344,262</b>	<b>307,470</b>
Gross distribution per unit		<b>0.020</b>	<b>0.020</b>
Net distribution per unit		<b>0.020</b>	<b>0.020</b>

## 8. STATEMENT OF CHANGES IN NET ASSET VALUE

For the financial year ended 31 December 2023

	Unitholders' Capital RM	Retained Earnings RM	Total Net Asset Value RM
<b>Net asset value as at 1st January 2022</b>	<b>12,184,672</b>	<b>1,360,814</b>	<b>13,545,486</b>
Movement due to creation / (cancellation) of units during the year:			
Creation of units from applications	3,861,257	-	3,861,257
Creation of units from distribution	307,470	-	307,470
Cancellation of units	(339,486)	-	(339,486)
Total comprehensive income for the financial year	-	(604,943)	(604,943)
Distribution	-	(307,470)	(307,470)
<b>Net asset value as at 31st December 2022</b>	<b>16,013,913</b>	<b>448,401</b>	<b>16,462,314</b>
<b>Net asset value as at 1st January 2023</b>	<b>16,013,913</b>	<b>448,401</b>	<b>16,462,314</b>
Movement due to creation / (cancellation) of units during the year:			
Creation of units from applications	6,046,102	-	6,046,102
Creation of units from distribution	344,262	-	344,262
Cancellation of units	(4,364,758)	-	(4,364,758)
Total comprehensive income for the financial year	-	654,693	654,693
Distribution	-	(344,262)	(344,262)
<b>Net asset value as at 31st December 2023</b>	<b>18,039,519</b>	<b>758,832</b>	<b>18,798,351</b>



## 9. STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	1 January 2023 to 31 December 2023 RM	1 January 2022 to 31 December 2022 RM
<b>Cash flows from/(for) operating and Investing activities</b>		
Proceeds from sale of quoted investments	3,058,520	465,269
Purchase of quoted investments	(8,104,299)	(1,052,547)
Dividend received	697,842	353,275
Profit Murabahah received	17,425	16,528
Administration fee paid	(49,070)	(32,352)
Audit fee paid	(15,153)	(13,041)
Performance fee paid	-	(65,891)
Purification Paid	(46,255)	-
Distribution fee paid	(114,237)	-
Trustee's fee paid	(9,814)	(6,470)
Tax Agent fee paid	(7,653)	(3,392)
Payment for other fees and expenses	(14,784)	(3,920)
Income Tax Paid	(101,253)	(30,600)
<b>Net cash generated (for)/from operating and investing activities</b>	<b>(4,688,731)</b>	<b>(373,141)</b>
<b>Cash flows from/(for) financing activities</b>		
Proceeds from issuance of units	6,048,321	3,784,679
Payments for cancellation of units	(4,364,758)	(339,486)
<b>Net cash generated from/(used in) financing activities</b>	<b>1,683,563</b>	<b>3,445,193</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3,005,168)</b>	<b>3,072,052</b>
Cash and cash equivalents at beginning of the year	4,115,697	1,043,645
<b>Cash and cash equivalents at end of the year</b>	<b>1,110,529</b>	<b>4,115,697</b>
<b>Cash and cash equivalents comprise:</b>		
Cash at bank	795,084	3,392,685
Short-term Shariah-based deposits	315,445	723,012
	<b>1,110,529</b>	<b>4,115,697</b>

## 10. NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

Saturna ASEAN Equity Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Trust Deed dated 16 December 2013 (hereinafter referred to as “the Deed”) between the Manager, Saturna Sdn. Bhd. and the previous Trustee, Deutsche Trustees Malaysia Berhad. Subsequently, pursuant to a Trust Deed dated 23 November 2015, SCBMB Trustee Berhad became the new Trustee.

The principal activity of the Fund is to invest in a diversified portfolio of Shariah-compliant equities across the ASEAN region. The objective of the Fund is to provide long-term capital growth. The Fund’s investments comply with Shariah requirements as prescribed by its Shariah Adviser. The Fund was launched on 7 February 2014 and will continue its operations until terminated by the Trustee as provided under Part 11 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 22 February 2024.

#### 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):

MFRSs and/or IC Interpretations (Including The Consequential Amendments)
MFRS 17 Insurance Contracts
Amendments to MFRS 17 Insurance Contracts
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101: Disclosure of Accounting Policies
Amendments to MFRS 108: Definition of Accounting Estimates
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

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.

- 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:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

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.

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### 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 interest rate used 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.

##### (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.

*Continued on next page.*

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

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

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

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

###### **(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 fair value changes do not include interest or dividend income.

The Fund reclassifies debt instruments when and only 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 Company's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

##### (b) Financial Liabilities

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

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

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

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

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

##### (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.

*Continued on next page.*

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

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

#### 3.2 IMPAIRMENT

##### **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.

#### 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 year'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.

#### 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 Ringgit Malaysia ("RM"), 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.

*Continued on next page.*

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

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

#### 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.

#### 3.10 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Fund's financial statements requires the Manager of the Fund to make judgements, 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 a non-financial asset, the fair value measurement takes into account a market 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.

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

### 4. INVESTMENTS

	2023 RM	2022 RM
Quoted Equity Securities	17,763,313	12,403,875

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

	2023 RM	2022 RM
Net gain/(loss) on financial assets at FVTPL comprised:-		
Realised (loss)/gain on disposals	(27,826)	(38,370)
Unrealised changes in fair value	341,485	(780,853)
	<b>313,659</b>	<b>(819,223)</b>

Quoted Equity Securities as at 31 December 2023 are as detailed below:

2023	Quantity (Units)	Cost (RM)	Market Value (RM)	% of NAV
<b>Malaysia</b>				
<b>Communications</b>				
Telekom Malaysia *	66,000	387,657	366,300	1.95
TIME dotCom Bhd	115,000	563,457	621,000	3.30
		<b>951,114</b>	<b>987,300</b>	<b>5.25</b>
<b>Consumer Discretionary</b>				
Bermaz Auto Bhd	70,000	165,584	165,200	0.88
<b>Consumer Staples</b>				
Fraser & Neave Holdings Bhd	8,000	199,353	225,280	1.20
Nestle (Malaysia) Bhd	4,700	546,516	552,720	2.94
		<b>745,869</b>	<b>778,000</b>	<b>4.14</b>
<b>Financials</b>				
Al-'Aqar Healthcare REIT	191,000	260,533	236,840	1.26
Axis Real Estate Investment Trust	260,000	463,261	465,400	2.48
Bank Islam Malaysia Bhd	112,000	315,725	247,520	1.32
Syarikat Takaful Malaysia Keluarga Bhd	136,000	414,033	503,200	2.68
		<b>1,453,552</b>	<b>1,452,960</b>	<b>7.74</b>
<b>Health Care</b>				
IHH Healthcare	81,000	380,144	488,430	2.60
KPJ Healthcare Bhd	545,000	533,567	784,800	4.17
		<b>913,711</b>	<b>1,273,230</b>	<b>6.77</b>
<b>Technology</b>				
Malaysian Pacific Industries Bhd	6,000	164,297	169,200	0.90
<b>Indonesia</b>				
<b>Communications</b>				
Telkom Indonesia	485,000	429,346	572,026	3.04
<b>Consumer Discretionary</b>				
Ace Hardware Indonesia	1,300,000	488,282	279,482	1.49
Ramayana Lestari Sentosa Tbk	1,000,000	378,791	153,774	0.82
		<b>867,073</b>	<b>433,256</b>	<b>2.31</b>

Continued on next page.

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

### 4. INVESTMENTS (continued)

2023	Quantity (Units)	Cost (RM)	Market Value (RM)	% of NAV
<b>Indonesia (continued)</b>				
<b>Consumer Staples</b>				
Unilever Indonesia	430,000	708,969	453,232	2.41
<b>Health Care</b>				
Kalbe Farma	770,000	360,953	370,164	1.97
PT Industri Jamu dan Farmasi Sido	500,000	130,135	78,380	0.42
		<b>491,088</b>	<b>448,544</b>	<b>2.39</b>
<b>Singapore</b>				
<b>Communications</b>				
Singapore Telecommunications	69,000	620,244	594,040	3.16
NetLink NBN Trust	60,000	172,075	175,671	0.93
		<b>792,319</b>	<b>769,711</b>	<b>4.09</b>
<b>Consumer Discretionary</b>				
ComfortDelGro Corp. Ltd	136,000	662,730	663,646	3.53
Hrnetgroup Ltd	50,000	136,094	124,608	0.66
		<b>798,824</b>	<b>788,254</b>	<b>4.19</b>
<b>Consumer Staples</b>				
Delfi Ltd	200,000	547,410	780,760	4.15
<b>Industrials</b>				
SATS LTD *	70,000	742,773	670,965	3.57
<b>Technology</b>				
UMS Holdings	178,500	550,022	833,705	4.43
Venture Corp	13,500	753,254	640,415	3.41
		<b>1,303,276</b>	<b>1,474,120</b>	<b>7.84</b>
<b>Thailand</b>				
<b>Communications</b>				
Intouch Holdings Public Co. Ltd	46,000	425,074	438,294	2.33
Plan B Media Public Foreign	502,000	425,028	592,036	3.15
		<b>850,102</b>	<b>1,030,330</b>	<b>5.48</b>
<b>Consumer Discretionary</b>				
Siam Wellness Group Pcl	150,000	242,590	231,873	1.23
<b>Consumer Staples</b>				
Carabao Group Company Ltd	31,000	268,960	340,814	1.81
<b>Financial</b>				
Frasers Property Thailand Industrial REIT	105,000	204,162	149,718	0.80
<b>Health Care</b>				
Bangkok Dusit Medical Services PCL	136,000	548,331	502,925	2.68
Bumrungrad Hospital PCL Foreign	6,000	181,288	177,503	0.94
Chularat Hospital PCL-Foreign	1,700,000	707,096	711,344	3.78
		<b>1,436,715</b>	<b>1,391,772</b>	<b>7.40</b>

Continued on next page.

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

### 4. INVESTMENTS (continued)

2023	Quantity (Units)	Cost (RM)	Market Value (RM)	% of NAV
<b>Thailand (continued)</b>				
<b>Industrials</b>				
Airports Of Thailand	73,000	667,958	581,249	3.09
Delta Electronics PCL Foreign	37,000	187,946	433,896	2.31
		<b>855,904</b>	<b>1,015,145</b>	<b>5.40</b>
<b>Technology</b>				
KCE Electronics PCL Foreign	85,000	507,668	622,993	3.31
<b>Philippines</b>				
<b>Consumer Discretionary</b>				
Wilcon Depot, Inc	325,000	466,699	563,749	3.00
<b>Consumer Staples</b>				
D&L Industries Inc.	650,000	531,299	340,407	1.81
<b>Industrials</b>				
Concepcion Industrial Corp.	54,000	211,504	64,986	0.35
<b>Utilities</b>				
Manila Electric Co	24,000	530,264	794,768	4.23
<b>Total Quoted Equity Securities</b>		<b>17,181,072</b>	<b>17,763,313</b>	<b>94.49</b>

\* These securities are Shariah-Qualified Compliant as of 31st December 2023

<sup>1</sup> "Shariah-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 until breakeven.

Quoted Equity Securities as at 31 December 2022 are as detailed below:

2022	Quantity (Units)	Cost (RM)	Market Value (RM)	% of NAV
<b>Malaysia</b>				
<b>Communications</b>				
Axiata Group Bhd *	39,000	255,601	120,510	0.73
Telekom Malaysia	51,000	309,287	275,400	1.67
TIME dotCom Bhd	100,000	474,740	490,000	2.98
		<b>1,039,628</b>	<b>885,910</b>	<b>5.38</b>
<b>Consumer Staples</b>				
Nestle (Malaysia) Bhd	3,600	397,489	504,000	3.06
<b>Financials</b>				
Al-'Aqar Healthcare REIT	147,000	203,854	179,340	1.09
Axis Real Estate Investment Trust	200,000	350,802	358,000	2.17
Bank Islam Malaysia Bhd	86,000	251,324	234,780	1.43
Syarikat Takaful Malaysia Keluarga Bhd	125,364	343,394	431,252	2.62
		<b>1,149,374</b>	<b>1,203,372</b>	<b>7.31</b>
<b>Health Care</b>				
IHH Healthcare Bhd	62,000	266,968	385,640	2.34
KPJ Healthcare Bhd	280,000	249,886	282,800	1.72
		<b>516,854</b>	<b>668,440</b>	<b>4.06</b>

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

### 4. INVESTMENTS (continued)

2022	Quantity (Units)	Cost (RM)	Market Value (RM)	% of NAV
<b>Malaysia (continued)</b>				
<b>Industrials</b>				
Gamuda Bhd *	40,000	190,038	150,000	0.91
Hartalega Holdings Bhd	28,000	165,382	47,600	0.29
		<b>355,420</b>	<b>197,600</b>	<b>1.20</b>
<b>Indonesia</b>				
<b>Communications</b>				
Telkom Indonesia	370,000	256,085	393,448	2.39
<b>Consumer Discretionary</b>				
Ace Hardware Indonesia	1,000,000	445,082	140,649	0.85
Ramayana Lestari Sentosa Tbk	750,000	327,363	121,225	0.74
		<b>772,445</b>	<b>261,874</b>	<b>1.59</b>
<b>Consumer Staples</b>				
Unilever Indonesia	330,000	571,732	439,812	2.67
<b>Health Care</b>				
Kalbe Farma	595,000	251,927	352,629	2.14
<b>Singapore</b>				
<b>Communications</b>				
Singapore Telecommunications	53,000	487,872	448,059	2.72
<b>Consumer Discretionary</b>				
ComfortDelGro Corp. Ltd	100,000	566,097	404,605	2.46
<b>Consumer Staples</b>				
Delfi Ltd	120,000	329,588	305,921	1.86
<b>Industrials</b>				
SATS LTD	30,000	348,456	280,263	1.70
<b>Technology</b>				
UMS Holdings	137,500	371,706	533,717	3.24
Venture Corp	7,000	366,191	392,829	2.39
		<b>737,897</b>	<b>926,546</b>	<b>5.63</b>
<b>Thailand</b>				
<b>Communications</b>				
Plan B Media Public Foreign	520,000	382,890	504,410	3.06
Intouch Holdings Public Co. Ltd	35,000	313,657	345,091	2.10
		<b>696,547</b>	<b>849,501</b>	<b>5.16</b>
<b>Consumer Discretionary</b>				
Siam Wellness Group Pcl	75,000	120,015	112,956	0.69
<b>Consumer Staples</b>				
Carabao Group Company Ltd	24,000	169,458	296,366	1.80
<b>Financial</b>				
Frasers Property Thailand Foreign Industrial REIT	80,000	163,304	105,171	0.65

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

### 4. INVESTMENTS (continued)

2022	Quantity (Units)	Cost (RM)	Market Value (RM)	% of NAV
<b>Thailand (continued)</b>				
<b>Health Care</b>				
Bangkok Dusit Medical Services PCL	70,000	267,531	259,097	1.57
Chularat Hospital PCL-Foreign	1,100,000	378,992	516,662	3.14
		<b>646,523</b>	<b>775,759</b>	<b>4.71</b>
<b>Industrials</b>				
Airports Of Thailand	65,000	557,079	622,216	3.78
Delta Electronics PCL Foreign	4,800	133,814	508,494	3.09
		<b>690,893</b>	<b>1,130,710</b>	<b>6.87</b>
<b>Technology</b>				
KCE Electronics PCL	65,000	350,415	385,774	2.34
<b>Philippines</b>				
<b>Consumer Discretionary</b>				
Wilcon Depot, Inc	250,000	270,207	586,080	3.56
<b>Consumer Staples</b>				
D&L Industries Inc.	500,000	428,734	313,901	1.91
<b>Industrials</b>				
Concepcion Industrial Corp.	54,000	211,504	73,381	0.45
<b>Materials</b>				
Holcim Philippines Inc.	240,000	260,253	74,383	0.45
<b>Utilities</b>				
Manila Electric Co	18,000	374,402	427,414	2.6
<b>Total Quoted Equity Securities</b>		<b>12,163,119</b>	<b>12,403,875</b>	<b>75.36</b>

\* These securities are Shariah-Qualified Compliant as of 31st December 2022.

<sup>1</sup> "Shariah-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 until breakeven.

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

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

Short-term deposits bore a weighted average effective profit rate of 2.90% (2022 – 2.73%) per annum at the end of the reporting period. The short-term Shariah-based deposit had maturity period for 33 days. (2022 - 14 to 32 days)

### 6. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

	Note	2023 RM	2022 RM
Unitholders' contribution	(a)	18,039,519	16,013,913
Retained earnings			
Realised reserve	(b)	176,591	207,645
Unrealised reserve	(c)	582,241	240,756
		18,798,351	16,462,314

#### (a) Unitholders' Contribution

	2023		2022	
	No. of Units	RM	No. of Units	RM
At beginning of the financial year	15,716,336	16,013,913	12,075,345	12,184,672
Creation of units from applications	5,658,274	6,046,102	3,663,840	3,861,257
Creation of units from Distribution	321,409	344,262	296,786	307,470
Cancellation of units	(4,118,321)	(4,364,758)	(319,635)	(339,486)
At end of the financial year	17,577,698	18,039,519	15,716,336	16,013,913

#### (b) Realised Reserve - Distributable

	2023 RM	2022 RM
At beginning of the financial year	207,645	208,459
Net profit/(loss) after tax	654,693	(604,943)
Net unrealised (gain)/loss transferred to unrealised reserve	(341,485)	780,853
Net increase in realised reserve for the financial year	313,208	175,910
Dividend distribution	(344,262)	(307,470)
Net unrealised (gain)/loss attributable to investments sold transferred to realised reserve	-	130,746
At end of the financial year	176,591	207,645

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

	2023 RM	2022 RM
At beginning of the financial year	240,756	1,152,355
Net unrealised gain/(loss) transferred from realised reserve	341,485	(780,853)
Net unrealised (gain)/loss attributable to investments sold transferred to realised reserve	-	(130,746)
At end of the financial year	582,241	240,756

### 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 financial 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 January 2023 to 31 December 2023	1 January 2022 to 31 December 2022
	RM	RM
Current tax expenses:		
Malaysian taxation	1,888	2,078
Foreign taxation	46,691	28,916
Foreign-sourced Income	106,246	37,328
Overprovision of tax expenses	(5,475)	-
	149,350	68,322

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Fund is as follows:

	1 January 2023 to 31 December 2023	1 January 2022 to 31 December 2022
	RM	RM
Profit/(loss) before taxation	804,043	(536,621)
Tax at the Malaysian statutory tax rate of 24% (2022-24%)	192,970	(128,789)
Tax effects of:-		
Non-taxable income	(113,570)	(51,569)
Non-deductible expenses	62,017	29,296
Net non-deductible (gain)losses on equity investments	(74,165)	197,293
Foreign income subject to differential in tax rates	87,573	22,091
Overprovision of Current tax expenses in previous financial year	(5,475)	-
Tax expense for the financial year	149,350	68,322

### 10. DISTRIBUTION

Distribution declared on 27 December 2023 to members is distributed from the following sources:

2023	RM
Profit from Short-term Shariah-based deposits	17,227
Dividend income	727,552
Net realised loss on sale of investments	(27,826)
Net realised loss on foreign exchange	(5,096)
Prior financial year's realised income	207,645
	919,502
Less: Expenses	(398,860)
Realised income available for distribution	520,642
Distribution during the financial year	344,262
Gross distribution per unit	0.020
Net distribution per unit	0.020

*Continued on next page.*

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

### 10. DISTRIBUTION (continued)

Distribution declared on 28 December 2022 to members is distributed from the following sources:

2022	RM
Profit from Short-term Shariah-based deposits	16,411
Dividend income	352,716
Net realised loss on sale of investments	(38,370)
Net realised loss on foreign exchange	(2,831)
Prior financial year's realised income	208,459
	536,385
Less: Expenses	(186,061)
Realised income available for distribution	350,324
Distribution during the financial year	307,470
Gross distribution per unit	0.020
Net distribution per unit	0.020

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.

### 11. UNITS HELD BY RELATED PARTIES

	2023		2022	
	No. of Units	RM	No. of Units	RM
Manager	4,769,066	5,100,245	-	-
Employees of the Manager	67,086	71,745	54,972	57,581
Directors of the Manager	505,855	540,984	494,845	518,332
Related parties to the Director of the Manager	11,267,062	12,049,483	11,021,814	11,544,967
	16,609,069	17,762,457	11,571,631	12,120,880

The above units were transacted at prevailing market price. The units are held legally and beneficially by the Manager and related parties. The Manager acquired the units at prevailing market price on 27th January 2023.

### 12. TRANSACTIONS WITH INVESTMENT BANKS

Details of transactions with investment banks for the financial year from 1 January 2023 to 31 December 2023 are as follows:-

2023	Value of Trade RM	Percentage of Total Trade %	Brokerage Fees RM	Percentage of Total Brokerage Fees %
CGS-CIMB Securities Sdn Bhd	5,264,388	47.53	5,264	39.89
Maybank Investment Bank Berhad	4,243,199	38.31	4,793	36.32
RHB Investment Bank Berhad	1,568,042	14.16	3,140	23.79
	11,075,629	100.00	13,197	100.00

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

### 12. TRANSACTIONS WITH INVESTMENT BANKS (continued)

Details of transactions with investment banks for the financial year from 1 January 2022 to 31 December 2022 are as follows:-

2022	Value of Trade RM	Percentage of Total Trade %	Brokerage Fees RM	Percentage of Total Brokerage Fees %
Maybank Investment Bank Berhad	1,274,691	83.93	1,275	72.32
RHB Investment Bank Berhad	244,121	16.07	488	27.68
	1,518,812	100.00	1,763	100.00

The above transactions were in respect of listed securities.

### 13. TOTAL EXPENSE RATIO

The total expense ratio for the financial year is 1.06%

Total Expense Ratio is derived from the following calculation:

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

A = Administration Fee	E = Audit Fee
B = Distribution Fee	F = Tax Agent's Fee
C = Trustee Fee	G = Other Expenses
D = Performance Fee	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 RM20,000,745.57.

### 14. Portfolio Turnover Ratio

The portfolio turnover ratio for the financial year is 0.28 times.

The portfolio turnover ratio is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial year} + \text{Total disposal for the financial year}) \div 2}{\text{Average NAV of the Fund for the financial year calculated on a daily basis}}$$

Where:

total acquisition for the financial year = RM 8,104,299.08

total disposal for the financial year = RM 3,058,520.35

### 15. 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 January 2023 to 31 December 2023 RM	1 January 2022 to 31 December 2022 RM
Indonesia	(69,055)	(162,428)
Malaysia	500,608	(117,757)
Philippines	30,728	(150,687)
Singapore	697,010	(82,352)
Thailand	(96,847)	98,669
	1,062,444	(414,555)

Continued on next page.

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

### 16. 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 amortised 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 period by the class of financial instruments to which they are assigned, and therefore by the measurement basis.

	Financial Asset at FVTPL RM	Financial Asset At Amortised Cost RM	Financial Liabilities at Amortised Cost RM	Total RM
<b>2023</b>				
<b>Assets</b>				
Quoted Equity Securities	17,763,313	-	-	17,763,313
Amount due from Manager/distributors	-	46,336	-	46,336
Sundry receivables	-	25,281	-	25,281
Short-term Shariah-based deposits	-	315,445	-	315,445
Cash at bank	-	795,084	-	795,084
Total financial assets	17,763,313	1,182,146	-	18,945,459
<b>Liabilities</b>				
Other payables and accruals	-	-	16,960	16,960
Amount owing to Unitholder Capital	-	-	-	-
Amount owing to Manager	-	-	123,096	123,096
Amount owing to Trustee	-	-	806	806
Total financial liabilities	-	-	140,862	140,862
	Financial Asset at FVTPL RM	Financial Asset At Amortised Cost RM	Financial Liabilities at Amortised Cost RM	Total RM
<b>2022</b>				
<b>Assets</b>				
Quoted Equity Securities	12,403,875	-	-	12,403,875
Amount due from Manager/distributors	-	48,755	-	48,755
Sundry receivables	-	40,342	-	40,342
Short-term Shariah-based deposits	-	723,012	-	723,012
Cash at bank	-	3,392,685	-	3,392,685
Total financial assets	12,403,875	4,204,794	-	16,608,669
<b>Liabilities</b>				
Other payables and accruals	-	-	16,960	16,960
Amount owing to Unitholder Capital	-	-	200	200
Amount owing to Manager	-	-	121,843	121,843
Amount owing to Trustee	-	-	624	624
Total financial liabilities	-	-	139,627	139,627

	<b>2023</b>	<b>2022</b>
	Income, expense, gains, and losses RM	Income, expense, gains, and losses RM
Net gain/(loss) from financial assets at FVTPL	313,659	(819,223)
Gross dividend income from financial assets at FVTPL	736,121	390,926
Profit income derived from amortised cost	17,302	16,573

Continued on next page.

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

### 16. 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				Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total Fair Value RM	
<b>2023</b>					
<b>Financial Asset</b>					
Quoted Equity Securities	17,763,313	-	-	17,763,313	17,763,313

	Financial Instruments Carried At Fair Value				Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total Fair Value RM	
<b>2022</b>					
<b>Financial Asset</b>					
Quoted Equity Securities	12,403,875	-	-	12,403,875	12,403,875

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.

### 17. FINANCIAL RISK MANAGEMENT POLICIES

#### (a) Introduction

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

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

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

#### (b) Risk Management Structure

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

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

To achieve its objective, the Fund invests in a diversified portfolio of Shariah-compliant equities across the ASEAN region. Asset allocation decisions are made after a review based of macroeconomic and currency trends in the Southeast Asian economies.

*Continued on next page.*

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

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

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

The Fund generally follows a relative value investment style, favoring companies with potential for earnings growth. The Fund Manager analyses the direction of GDP growth, interest rates, inflation, currencies, and government policies. The Fund Manager will then assess the outlook for corporate earnings and determine if there are any predictable trends. The criteria for stock selection would include improving fundamentals and growth 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 multiplies.

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

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

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

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

#### (c) Market Risk

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

##### (i) Profit Rate Risk

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

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

##### Profit rate risk sensitivity

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

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

	Changes in Basis Points	Sensitivity of Profit Income and Profit Increase RM	Sensitivity of Changes in Fair Value of Investments Increase RM
2023	+10	+597	N/A

	Changes in Basis Points	Sensitivity of Profit Income and Profit Increase RM	Sensitivity of Changes in Fair Value of Investments Increase RM
2022	+10	+607	N/A

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

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

Continued on next page.

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

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

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

##### (i) Profit Rate Risk (continued)

###### Profit rate risk exposure

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

<b>2023</b>	0 – 3 Months	3 Months – 5 Years	Total	Effective Profit Rate
<b>Assets</b>	RM	RM	RM	%
Short-term Shariah-based deposits	315,445	-	315,445	2.90

<b>2022</b>	0 – 3 Months	3 Months – 5 Years	Total	Effective Profit Rate
<b>Assets</b>	RM	RM	RM	%
Short-term Shariah-based deposits	723,012	-	723,012	2.73

\* Computed based on profit rate bearing assets only.

##### (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 prices of the investments fluctuates by 5% with all other variables held constant.

<b>2023</b>	Changes in Equity Price%	Market Value RM	Impact on Profit After Tax and Net Asset Value RM
	-5	16,875,147	(888,166)
	0	17,763,313	-
	5	18,651,479	888,166

<b>2022</b>	Changes in Equity Price%	Market Value RM	Impact on Profit After Tax and Net Asset Value RM
	-5	11,783,681	(620,194)
	0	12,403,875	-
	5	13,024,069	620,194

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 Notes to the Financial Statements.

Continued on next page.



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

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

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

##### (iii) Currency Risk

Fund is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily Indonesian Rupiah ("IDR"), Philippine Peso ("PHP"), Singapore Dollar ("SGD") and Thai Baht ("THB"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

##### Foreign currency exposure

2023	Indonesian Rupiah RM	Ringgit Malaysia RM	Philippine Peso RM	Singapore Dollar RM	Thai Baht RM	Total RM
<b>Financial Assets</b>						
Quoted Equity Securities	1,907,058	4,825,890	1,763,910	4,483,810	4,782,645	17,763,313
Amount due from Manager/Distributors	-	46,336	-	-	-	46,336
Sundry receivables	-	25,281	-	-	-	25,281
Short-term Shariah-based deposits	-	315,445	-	-	-	315,445
Cash at bank	-	795,084	-	-	-	795,084
	1,907,058	6,008,036	1,763,910	4,483,810	4,782,645	18,945,459

2022	Indonesian Rupiah RM	Ringgit Malaysia RM	Philippine Peso RM	Singapore Dollar RM	Thai Baht RM	Total RM
<b>Financial Assets</b>						
Quoted Equity Securities	1,447,763	3,459,322	1,475,159	2,365,394	3,656,237	12,403,875
Amount due from Manager/Distributors	-	48,755	-	-	-	48,755
Sundry receivables	-	40,342	-	-	-	40,342
Short-term Shariah-based deposits	-	723,012	-	-	-	723,012
Cash at bank	-	3,392,685	-	-	-	3,392,685
	1,447,763	7,664,116	1,475,159	2,365,394	3,656,237	16,608,669

##### Foreign currency risk sensitivity analysis

2023	Changes in Foreign Currencies %	Effects on Profit For the Year Increase RM	Effects on Equity Increase RM
<b>Foreign currencies</b>			
IDR/RM	+10	+190,706	+190,706
PHP/RM	+10	+176,391	+176,391
SGD/RM	+10	+448,381	+448,381
THB/RM	+10	+478,265	+478,265

2022	Changes in Foreign Currencies %	Effects on Profit For the Year Increase RM	Effects on Equity Increase RM
<b>Foreign currencies</b>			
IDR/RM	+10	+144,776	+144,776
PHP/RM	+10	+147,516	+147,516
SGD/RM	+10	+236,539	+236,539
THB/RM	+10	+365,624	+365,624

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

Continued on next page.

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

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

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

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

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

The Manager manages the Fund's counterparties risk by undertaking credit evaluation and close monitoring of any changes to the issuer/counterparty's credit profile to 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 considers both historical analysis and forward-looking information in determining any ECL. The Manager considers 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.

#### ***(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.

*Continued on next page.*

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

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

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

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

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.

2023	Less than 3 months RM	3 months – 1 year RM	Total RM
<b>Financial assets:-</b>			
Quoted Equity Securities	17,763,313	-	17,763,313
Short-term Shariah-based deposits	315,445	-	315,445
Cash at bank	795,084	-	795,084
Other assets	71,617	-	71,617
Total financial assets	18,945,459	-	18,945,459
<b>Financial liability:-</b>			
Other liabilities	140,862	-	140,862
Total net financial assets	18,804,597	-	18,804,597

2022	Less than 3 months RM	3 months – 1 year RM	Total RM
<b>Financial assets:-</b>			
Quoted Equity Securities	12,403,875	-	12,403,875
Short-term Shariah-based deposits	723,012	-	723,012
Cash at bank	3,392,685	-	3,392,685
Other assets	89,097	-	89,097
Total financial assets	16,608,669	-	16,608,669
<b>Financial liability:-</b>			
Other liabilities	139,627	-	139,627
Total net financial assets	16,469,042	-	16,469,042

## 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, 5th 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' Seri Dr. Vaseehar Hassan Bin Abdul Razack  
Md. Noor Bin Haji A.Rahman  
Shahariah Binti Shahrudin

### Investment Committee

Jane Carten  
Monem A. Salam  
Dato' Seri Dr. Vaseehar Hassan Bin Abdul Razack  
Md. Noor Bin Haji A.Rahman  
Zahid Siddique  
Shahariah Binti Shahrudin

### The Trustee

SCBMB Trustee Berhad 201201021301 (1005793-T)

### Shariah Adviser

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)



## Appendix I

The following disclosures have been amended/incorporated in the replacement Prospectus for Saturna ASEAN Equity Fund dated 11 October 2023 (Replacement Prospectus) pursuant to the issuance of the revised Guidelines of Unit Trust Funds by the Securities Commission on 28 November 2022:

No.	Previous	Current
1	<b>Fund name</b> ASEAN Equity Fund	<b>Fund name</b> Saturna ASEAN Equity Fund (formerly known as ASEAN Equity Fund)
2	Latest practicable date 30 November 2017.	Latest practicable date 31 March 2023
3	<b>Eligible Markets</b> Markets that are regulated by a regulatory authority, operate regularly, are open to the public and have adequate liquidity for the purposes of the Fund.	<b>Eligible Market(s)</b> An exchange, government securities market or an over-the-counter (OTC) market: <ul style="list-style-type: none"> <li>(a) that is regulated by a regulatory authority of that jurisdiction;</li> <li>(b) that is open to the public or to a substantial number of market participants; and</li> <li>(c) on which financial instruments are regularly traded.</li> </ul>
4	<b>Investment Policy &amp; Strategy</b> (a) To achieve its objective, the Fund invests in a diversified portfolio of Shariah-compliant equities across the ASEAN region. Asset allocation decisions are made after a review of macroeconomic and currency trends in the Southeast Asian economies.  (b) The Fund invests in ASEAN countries which includes but are not limited to Malaysia, Singapore, Thailand, Indonesia and the Philippines. However, the Fund's investments in foreign markets are limited to Eligible Markets where the regulatory authority is an ordinary or associate member of the International Organization of Securities Commissions (IOSCO).	<b>Investment Policy &amp; Strategy</b> (a) To achieve its objective, the Fund invests in a diversified portfolio of Shariah-compliant equities across the ASEAN region. 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 Islamic collective investment schemes. Asset allocation decisions are made after a monthly review of macroeconomic and currency trends in the Southeast Asian economies.  (b) The Fund invests in ASEAN countries which includes but are not limited to Malaysia, Singapore, Thailand, Indonesia and the Philippines. However, the Fund's investments in foreign markets are limited to Eligible Markets.
5	<b>Temporary Defensive Positions</b> In such circumstances, the Manager may temporarily allocate up to 100% of the Fund's NAV into Islamic money market instruments or placement in Islamic deposits with Islamic financial institutions.	<b>Temporary Defensive Positions</b> In such circumstances, the Manager may temporarily allocate the Fund's NAV into Islamic money market instruments or placement in Islamic deposits with Islamic financial institutions, subject to the Fund investing at least two-third (2/3) of its NAV in ESG-compliant investments.

## Appendix I

No. Previous	Current
<p>6 <b>Sustainable Investing</b></p> <p>(a) The Manager employs Saturna Capital Corporation's ESG rating system to identify issuers that the Manager believes present low ESG risks. The main characteristics of the Sustainable rating system (scale of A to F) are:</p> <p><b>Environmental:</b></p> <ul style="list-style-type: none"> <li>• Resource Efficiency (energy, water, inputs, waste productivity)</li> <li>• Disclosures and Transparency</li> </ul> <p><b>Social:</b></p> <ul style="list-style-type: none"> <li>• Business Ethics and Products</li> <li>• Stakeholder Relations (employees, investors, community)</li> </ul> <p><b>Governance:</b></p> <ul style="list-style-type: none"> <li>• Board Effectiveness</li> <li>• Conflicts assessments, including compensation</li> </ul> <p><b>Balance Sheet and Business Experience</b></p> <p>(b) The sustainability aspects of the Fund's portfolio will be reviewed periodically to ensure the investments of the Fund are consistent with the sustainability considerations adopted by the Fund at all times.</p> <p>If the company that the Fund invests in show persistent deterioration in their ESG factors and becomes inconsistent with the sustainability considerations, the Manager will dispose of the investments within appropriate timeframe as the following:</p> <ul style="list-style-type: none"> <li>• if the market price of the Shariah-compliant equities exceeds or is equal to the investment cost, the Shariah- compliant equities will be disposed as soon as practicable.</li> <li>• if the market price of the Shariah-compliant equities is below the investment cost, the Fund is allowed to hold the Shariah-compliant equities until breakeven.</li> </ul>	<p><b>Sustainable Investing</b></p> <p>(a) The Manager employs Saturna Capital Corporation's ESG rating system to identify issuers that the Manager believes present low ESG risks. Our rating system is a proprietary ESG screening system which analyses the ESG attributes of listed companies. Inputs to the system include ESG disclosures by companies and data from third party providers. The input data is then consolidated within the system to derive a company-specific ESG rating, which can range from A to F. The Fund will not invest in companies with an ESG rating below B.</p> <p>For Sustainable investing, the Manager considers issuers with the following Sustainable characteristics:</p> <ul style="list-style-type: none"> <li>• generally have larger market capitalisation - companies with market capitalisation of at least US\$5 billion;</li> <li>• consistently profitable - companies which have a track record of positive net profits;</li> <li>• financially strong - companies which have a track record of generating positive cash flows; and</li> <li>• low exposure to risks in the areas of ESG - companies with scores of A in our ESG rating system shall be considered as low exposure to ESG risk.</li> </ul> <p>The main characteristics of the Sustainable rating system are:</p> <p><b>Environmental:</b></p> <ul style="list-style-type: none"> <li>• Resource Efficiency (energy, water, inputs, waste productivity)</li> <li>• Disclosures and Transparency</li> </ul> <p><b>Social:</b></p> <ul style="list-style-type: none"> <li>• Business Ethics and Products</li> <li>• Stakeholder Relations (employees, investors, community)</li> </ul> <p><b>Governance:</b></p> <ul style="list-style-type: none"> <li>• Board Effectiveness</li> <li>• Conflicts assessments, including compensation</li> </ul> <p><b>Balance Sheet and Business Experience</b></p> <ul style="list-style-type: none"> <li>• Strong balance sheets</li> <li>• Proven businesses and high quality operations</li> </ul> <p>(b) The sustainability aspects of the Fund's portfolio will be reviewed periodically, <u>usually once a year</u> to ensure the investments of the Fund are consistent with the adopted sustainability considerations and the overall impact of the Fund with the ESG integration approach is not inconsistent with other sustainability considerations.</p> <p>If the company that the Fund invests in show persistent deterioration in their ESG factors and becomes inconsistent with any other sustainability considerations, the said investments shall be disposed within an appropriate timeframe. This would depend on the trading liquidity of the stock which is no longer ESG compliant and its position size within the Fund. These factors would determine how quickly we are able to dispose of the stock. Usually, we are able to liquidate within a few weeks of a security becoming ESG non-compliant. However, the Fund may hold on the investments in the event that the market value of the investments is below the original investment costs. Once the market value exceeds or is equal to the original investment costs, the Fund will dispose the investment as soon as practicable.</p>



## Appendix I

No.	Previous	Current
7	<p><b>Specific Risks</b> (no liquidity risk)</p> <p>(No Sustainability Risk)</p>	<p><b>Specific Risks</b></p> <p><i>Liquidity Risk</i></p> <p>Liquidity risk refers to a risk where the Fund need to liquidate assets in order to meet payment obligations in a timely manner. Liquidity risk usually results from large redemptions or illiquid assets or a combination of both. If the Fund holds assets that are illiquid or have to sell assets at discount to its fair value, this would adversely affect the NAV of the Fund and the investment of the Unit Holders.</p> <p><i>Sustainability Risk:</i></p> <p>Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential negative impact on the value of the investment. This may include the risks stemming from investing in companies that their business may be affected by climate change, natural source depletion, environmental degradation, human rights abuse, bribery, corruption and social and employee matters. If a sustainability risk associated with an investment of the Fund materialises, it could lead to the loss in value of an investment. Through the integration of high-level ESG analysis within the investment process and the focus on limiting downside risk, the Manager seeks to limit the impact of sustainability risk on Fund returns. The sustainability aspects of the portfolio and listings therein are reviewed whenever there are any changes in the sustainability characteristics of the said listings. Usually, the review would be conducted annually in line with the release of the Annual Sustainability / ESG reports by corporates. That said, a review could also be conducted as and when the sustainability characteristics of any company changes.</p>
8	<p><b>Risk Management Strategies</b></p> <p>The risk management strategies adopted by the Manager are as follows:</p> <ul style="list-style-type: none"> <li>• monitoring adherence to the Fund's investment objective, investment restrictions and limits;</li> <li>• conduct regular monitoring of market and economic conditions;</li> <li>• escalating and reporting investment matters to the investment committee, senior management team, risk committee, Shariah Advisor and board of directors;</li> <li>• taking temporary defensive positions when appropriate; and</li> <li>• monitoring the performance of the Fund.</li> </ul>	<p><b>Risk Management Strategies</b></p> <p>The risk management strategies adopted by the Manager are as follows:</p> <ul style="list-style-type: none"> <li>• monitoring adherence to the Fund's investment objective, investment restrictions and limits;</li> <li>• conduct regular monitoring of market and economic conditions;</li> <li>• escalating and reporting investment matters to members of a committee undertaking the oversight function of the Fund including the investment committee, senior management team, risk committee, Shariah Adviser and board of directors;</li> <li>• taking temporary defensive positions when appropriate;</li> <li>• advising Investors to provide written notice in advance if they plan to make any large redemptions; and</li> <li>• monitoring the performance of the Fund.</li> </ul>
9	<p><b>Permitted Investments</b></p> <ul style="list-style-type: none"> <li>• Shariah-compliant equities;</li> <li>• Islamic money market instruments;</li> <li>• Islamic deposits; and</li> <li>• Any other form of Shariah-compliant investment...</li> </ul>	<p><b>Permitted Investments</b></p> <ul style="list-style-type: none"> <li>• Sustainable Shariah-compliant equities;</li> <li>• Islamic money market instruments;</li> <li>• Islamic deposits with Islamic financial institutions;</li> <li>• Islamic collective investment schemes; and</li> <li>• Any other form of Shariah-compliant investment...</li> </ul>

## Appendix I

No. Previous	Current
<p>10 <b>Investments Restrictions and Limits</b></p> <p>(a) The value of the Fund's investments in unlisted Shariah-compliant securities must not exceed 10% of the Fund's NAV. However, this limit does not apply to unlisted Shariah-compliant securities that are not listed or quoted on a stock exchange but have been approved by the regulatory authority for such listing and quotation and are offered directly to the Fund by the issuer and sukuk traded on an organised over-the-counter (OTC) market;</p> <p>(b) The value of the Fund's investments in transferable Shariah-compliant securities and Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV.</p> <p>(c) The value of the Fund's placement in Islamic deposits with any single institution must not exceed 20% of the Fund's NAV.</p> <p>(d) The aggregate value of the Fund's investments in transferable Shariah-compliant securities, Islamic money market instruments and Islamic deposits issued by or placed with any single issuer or institution must not exceed 25% of the Fund's NAV.</p> <p>(e) The value of the Fund's investments in transferable Shariah-compliant securities and Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV.</p> <p>(f) The Fund's investments in transferable Shariah-compliant securities (other than sukuk) must not exceed 10% of the securities issued by any single issuer.</p>	<p><b>Investments Restrictions and Limits</b></p> <p>(a) The aggregate value of the Fund's investments in Shariah-compliant transferable securities that are not traded or dealt in or under the rules of an Eligible Market must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer.</p> <p>(b) The value of the Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV ("single issuer limit"). In determining the single issuer limit, the value of the Fund's investment in instruments in paragraph a) issued by the same issuer must be included in the calculation.</p> <p>(c) The value of the Fund's placement in Islamic deposits with any single institution must not exceed 20% of the Fund's NAV. This does not apply to placement of deposits arising from:</p> <ul style="list-style-type: none"> <li>i) liquidation of investments prior to the termination or maturity of the Fund, where the placement of Islamic deposits with various Islamic financial institutions would not be in the best interest if Unit Holders; or</li> <li>ii) monies held for the settlement of redemption or other payment obligations, where the placement of Islamic deposits with various Islamic financial institutions would not be in the best interest of Unit Holders.</li> </ul> <p>(d) The aggregate value of the Fund's investments in Shariah-compliant transferable securities, Islamic money market instruments and Islamic deposits issued by or placed with any single issuer or institution must not exceed 25% of the Fund's NAV ("single issuer aggregate limit"). In determining the single issuer aggregate limit, the value of the Fund's investments in instruments in paragraph a) issued by the same issuer must be included in the calculation.</p> <p>(e) The value of the Fund's investments in transferable Shariah-compliant securities and Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV ("group limit"). In determining the group limit, the value of the Fund's investments in instruments paragraph a) issued by the issuers within the same group of companies must be included in the calculation.</p> <p>(f) The Fund's investments in Shariah-compliant shares or Shariah-compliant securities equivalent to shares must not exceed 10% of the Shariah-compliant shares or Shariah-compliant securities equivalent to shares, as the case may be, issued by any single issuer."</p>



## Appendix I

No. Previous	Current												
<p>10 <b>Investments Restrictions and Limits</b> <i>(continued)</i></p> <p>(g) The above investment restrictions and limits must be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of the restrictions or limits is permitted where it is breached through an appreciation or depreciation of the Fund's NAV (whether as a result of an appreciation or depreciation in value of the Fund's investments or as a result of redemption of Units or payment made from the Fund).</p> <p>The Manager will not make any further acquisitions to which the relevant restriction or limit is violated. Within a reasonable period of three (3) months from the violation date, the Manager shall take all necessary steps to rectify the violation.</p>	<p><b>Investments Restrictions and Limits</b> <i>(continued)</i></p> <p>(g) The above investment restrictions and limits must be complied with at all times based on the most up-to-date value of the Fund's investments. The Manager will notify the SC within seven (7) Business Days of any breach of investment limits and restrictions with the steps taken to rectify and prevent such breach from recurring. However, any breach as a result of any appreciation or depreciation in the value of the Fund's investments, repurchase of Units or payment made out of the Fund, change in capital of a corporation in which the Fund has invested in or downgrade in or cessation of a credit rating, need not be reported to the SC and must be rectified as soon as practicable within three (3) months from the date of the breach. The three (3) months period may be extended if it is in the best interests of Unit Holders and the Trustee's consent is obtained. Such extension will be subject to a monthly review by the Trustee.</p>												
<p>11 <b>Bases for Valuation of the Assets of the Fund:</b></p> <table border="1"> <thead> <tr> <th>Investment Instruments</th><th>Valuation Basis</th></tr> </thead> <tbody> <tr> <td>Shariah-compliant securities listed on any exchange</td><td> <p>Valuation of securities should be based on market price. However, if:</p> <ul style="list-style-type: none"> <li>a valuation based on the market price does not represent the fair value of the securities, e.g. during abnormal market conditions; or</li> <li>no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding fourteen (14) days, or such a shorter period as agreed by the Trustee,</li> </ul> <p>then the securities should be valued at fair value, as determined in good faith by the Manager based on the methods or bases approved by the Trustee after appropriate technical consultation.</p> </td></tr> <tr> <td>Placement in Islamic deposits:</td><td> <p>Valuation for Islamic deposits placed with Islamic financial institutions, will be performed by reference to the principal value provided by the Islamic financial institution that issues or provides such investments including profits accrued thereon for the relevant period, if any.</p> </td></tr> </tbody> </table>	Investment Instruments	Valuation Basis	Shariah-compliant securities listed on any exchange	<p>Valuation of securities should be based on market price. However, if:</p> <ul style="list-style-type: none"> <li>a valuation based on the market price does not represent the fair value of the securities, e.g. during abnormal market conditions; or</li> <li>no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding fourteen (14) days, or such a shorter period as agreed by the Trustee,</li> </ul> <p>then the securities should be valued at fair value, as determined in good faith by the Manager based on the methods or bases approved by the Trustee after appropriate technical consultation.</p>	Placement in Islamic deposits:	<p>Valuation for Islamic deposits placed with Islamic financial institutions, will be performed by reference to the principal value provided by the Islamic financial institution that issues or provides such investments including profits accrued thereon for the relevant period, if any.</p>	<p><b>Bases for Valuation of the Assets of the Fund:</b></p> <table border="1"> <thead> <tr> <th>Investment Instruments</th><th>Valuation Basis</th></tr> </thead> <tbody> <tr> <td>Shariah-compliant securities listed on any exchange</td><td> <p>Valuation of Shariah-compliant securities should be based on market price. However, if:</p> <ul style="list-style-type: none"> <li>a valuation based on the market price does not represent the fair value of the Shariah-compliant securities, e.g. during abnormal market conditions; or</li> <li>no market price is available, including in the event of a suspension in the quotation of the Shariah-compliant securities for a period exceeding fourteen (14) days, or such a shorter period as agreed by the Trustee,</li> </ul> <p>then the Shariah-compliant securities should be valued at fair value, as determined in good faith by the Manager based on the methods or bases approved by the Trustee after appropriate technical consultation.</p> </td></tr> <tr> <td>Placement in Islamic deposits:</td><td> <p>Valuation for Islamic deposits placed with Islamic financial institutions, will be performed by reference to the principal value provided by the Islamic financial institution that issues or provides such Shariah-compliant investments including profits accrued thereon for the relevant period, if any.</p> </td></tr> </tbody> </table>	Investment Instruments	Valuation Basis	Shariah-compliant securities listed on any exchange	<p>Valuation of Shariah-compliant securities should be based on market price. However, if:</p> <ul style="list-style-type: none"> <li>a valuation based on the market price does not represent the fair value of the Shariah-compliant securities, e.g. during abnormal market conditions; or</li> <li>no market price is available, including in the event of a suspension in the quotation of the Shariah-compliant securities for a period exceeding fourteen (14) days, or such a shorter period as agreed by the Trustee,</li> </ul> <p>then the Shariah-compliant securities should be valued at fair value, as determined in good faith by the Manager based on the methods or bases approved by the Trustee after appropriate technical consultation.</p>	Placement in Islamic deposits:	<p>Valuation for Islamic deposits placed with Islamic financial institutions, will be performed by reference to the principal value provided by the Islamic financial institution that issues or provides such Shariah-compliant investments including profits accrued thereon for the relevant period, if any.</p>
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## Appendix I

No.	Previous	Current											
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12	(No paragraph on “Shariah Screening Process”)	<b>Shariah Screening Process</b> <table><tr><th>Investment Instruments</th><th>Valuation Basis</th></tr><tr><td>Shariah-compliant equities</td><td><p><b>Shariah-compliant investment screens help assess whether a company’s business activities are Shariah-compliant (halal) or Shariah non-compliant (haram). The screen facilitate the elimination of haram investments from consideration. Halal descriptive screens seek to eliminate securities of companies in industries that do not adhere to Islamic principles such as liquor, tobacco, gambling, pork, pornography, insurance and conventional banks, etc.</b></p><p>In addition to the above descriptive screens, the Manager applies the following financial screens, seeking to eliminate companies with:</p><ul style="list-style-type: none"><li>• greater than 5% of their revenue coming from haram sources (the “5% rule”)</li><li>• greater than 33% total debt as compared to their market capitalization (trailing 12 month average)</li><li>• greater than 45% cash and accounts receivable as compared to their total assets (trailing 12 month average)</li></ul></td></tr></table>		Investment Instruments	Valuation Basis	Shariah-compliant equities	<p><b>Shariah-compliant investment screens help assess whether a company’s business activities are Shariah-compliant (halal) or Shariah non-compliant (haram). The screen facilitate the elimination of haram investments from consideration. Halal descriptive screens seek to eliminate securities of companies in industries that do not adhere to Islamic principles such as liquor, tobacco, gambling, pork, pornography, insurance and conventional banks, etc.</b></p> <p>In addition to the above descriptive screens, the Manager applies the following financial screens, seeking to eliminate companies with:</p> <ul style="list-style-type: none"><li>• greater than 5% of their revenue coming from haram sources (the “5% rule”)</li><li>• greater than 33% total debt as compared to their market capitalization (trailing 12 month average)</li><li>• greater than 45% cash and accounts receivable as compared to their total assets (trailing 12 month average)</li></ul>						
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## Appendix I

No.	Previous	Current								
12		<div>Shariah Screening Process (continued)</div> <table><tr><th>Investment Instruments</th><th>Valuation Basis</th></tr><tr><td>Shariah-compliant equities (continued)</td><td><p>If a company fails the screening process, it is considered an unacceptable investment. The Manager monitors the securities in the Funds' portfolios for ongoing compliance with halal investing criteria and may sell if they fail screens at a later date.</p><p>For domestic listed Shariah-compliant securities, the Fund shall invest in Shariah-compliant securities listed under the List of Shariah-compliant securities issued by the SAC of the SC. For foreign listed Shariah compliant securities, the Shariah Adviser will review the said securities and endorse that it is in compliance with the Shariah Investment Guidelines.</p></td></tr><tr><td>Islamic money market instruments</td><td><p>The Funds can invest in Islamic money market instruments, Islamic deposits, cash placements and Islamic liquid assets which are placed with the financial institutions or those that have been approved by SAC of BNM. For investment in foreign markets, Islamic money market instruments that are endorsed by other Shariah adviser or committee must be approved by the Shariah Adviser.</p></td></tr><tr><td>Islamic deposits with Islamic financial institutions</td><td><p>Islamic deposits shall be placed with financial institutions licensed under the Islamic Financial Services Act 2013 and/or Financial Services Act 2013, whichever is appropriate. For the avoidance of doubt, only Islamic account is permitted for placement of deposits with institutions licensed under the Financial Services Act 2013. The Fund is also prohibited from investing in interest-bearing deposits and recognizing any interest income.</p></td></tr></table>	Investment Instruments	Valuation Basis	Shariah-compliant equities (continued)	<p>If a company fails the screening process, it is considered an unacceptable investment. The Manager monitors the securities in the Funds' portfolios for ongoing compliance with halal investing criteria and may sell if they fail screens at a later date.</p> <p>For domestic listed Shariah-compliant securities, the Fund shall invest in Shariah-compliant securities listed under the List of Shariah-compliant securities issued by the SAC of the SC. For foreign listed Shariah compliant securities, the Shariah Adviser will review the said securities and endorse that it is in compliance with the Shariah Investment Guidelines.</p>	Islamic money market instruments	<p>The Funds can invest in Islamic money market instruments, Islamic deposits, cash placements and Islamic liquid assets which are placed with the financial institutions or those that have been approved by SAC of BNM. For investment in foreign markets, Islamic money market instruments that are endorsed by other Shariah adviser or committee must be approved by the Shariah Adviser.</p>	Islamic deposits with Islamic financial institutions	<p>Islamic deposits shall be placed with financial institutions licensed under the Islamic Financial Services Act 2013 and/or Financial Services Act 2013, whichever is appropriate. For the avoidance of doubt, only Islamic account is permitted for placement of deposits with institutions licensed under the Financial Services Act 2013. The Fund is also prohibited from investing in interest-bearing deposits and recognizing any interest income.</p>
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## Appendix I

No.	Previous	Current				
12		<div>Shariah Screening Process <i>(continued)</i></div> <table><tr><th>Investment Instruments</th><th>Valuation Basis</th></tr><tr><td>Islamic collective investment schemes (CIS)</td><td>For Malaysian listed Islamic CIS, reference is made to the list of Islamic REITs and list of Islamic Exchange-Traded Fund as per the Additional List: Other Shariah-Compliant Capital Market Instruments of the list of Shariah-Compliant Securities issued by the SAC of SC. For foreign listed Islamic CIS, reference is made to the list of approved Islamic indices on a monthly basis. For domestic and foreign unlisted Islamic CIS, the Shariah Adviser will review the Islamic CIS' prospectus and endorse that it is in compliance with the acceptable Shariah requirements.</td></tr></table>	Investment Instruments	Valuation Basis	Islamic collective investment schemes (CIS)	For Malaysian listed Islamic CIS, reference is made to the list of Islamic REITs and list of Islamic Exchange-Traded Fund as per the Additional List: Other Shariah-Compliant Capital Market Instruments of the list of Shariah-Compliant Securities issued by the SAC of SC. For foreign listed Islamic CIS, reference is made to the list of approved Islamic indices on a monthly basis. For domestic and foreign unlisted Islamic CIS, the Shariah Adviser will review the Islamic CIS' prospectus and endorse that it is in compliance with the acceptable Shariah requirements.
Investment Instruments	Valuation Basis					
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13	Purification Guidelines	Purification Guidelines				
14	(None)	<div>Zakat for the Fund</div> <p>The Fund does not pay Zakat on behalf of Muslim individuals and Islamic entities who are Unit Holders of the Fund. Thus, Unit Holders are advised to pay Zakat by themselves.</p>				
15	<div>Fund Expenses</div> <div>(a) Costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;</div> <div>(b) Costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or management company;</div> <div>(c) Remuneration and out of pocket expenses of the independent members of the investment committee of the Fund, unless the Manager decides otherwise;</div>	<div>Fund Expenses</div> <div>(a) Costs, commissions, fees and expenses of the sale, purchase, takaful and any other dealing of any asset of the Fund;</div> <div>(b) Costs, fees and expenses incurred in the termination of the Fund or a class of Units or the removal or retirement of the Trustee or the Manager and the appointment of a new trustee or management company;</div> <div>(c) Remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Fund, unless the Manager decides otherwise;</div>				
16	<div>Redemption of Units</div> <p>Redemption proceeds will be paid within three (3) Business Days from the date the Manager receives a complete redemption request form.</p>	<div>Redemption of Units</div> <p>Redemption proceeds will be paid within seven (7) Business Days from the date the Manager receives a complete redemption request form.</p>				

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No.	Previous	Current																
17	<p><b>Cooling-off Policy</b></p> <p>The cooling-off period is for a total of six (6) Business Days commencing from the date the application for Units is received by the Manager. Within the cooling-off period, the refund to the Unit Holders for every Unit held by the Unit Holders shall be the sum of:</p> <ul style="list-style-type: none"><li>• The price of the Units on the day the Units were purchased; and</li><li>• Any sales charge imposed on the day the Units were purchased.</li></ul> <p>In other words, the Unit Holders shall be refunded their “original investment proceeds” within ten (10) days from the date of receipt of the cooling-off notice from the Unit Holders.</p>	<p><b>Cooling-off Policy</b></p> <p>The cooling-off period is for a total of six (6) Business Days commencing from the date the application for Units is received by the Manager. Within the cooling-off period, the refund to the Unit Holders for every Unit held by the Unit Holders shall be the sum of:</p> <ul style="list-style-type: none"><li>• if the original price of a Unit is higher than the price of a Unit at the point of exercise of the cooling-off right (“market price”), the market price at the point of cooling-off; or</li><li>• if the market price is higher than the original price, the original price at the point of cooling-off; and</li><li>• any sales charge imposed on the day the Units were purchased.</li></ul> <p>In other words, the Unit Holders shall be refunded their “original investment proceeds” within seven (7) Business Days from the date of receipt of the cooling-off notice from the Unit Holders.</p>																
18	<p><b>Policy on Stockbroking, Rebates and Soft Commissions</b></p> <p>The Manager does not retain any rebate from, or otherwise share in any commission with, any broker or 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.</p>	<p><b>Policy on Stockbroking, Rebates and Soft Commissions</b></p> <p>The Manager, fund manager, Trustee or Trustee’s delegate should not retain any rebate from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Fund.</p> <p>However, soft commissions may be retained by the Manager or the fund manager if:</p> <ul style="list-style-type: none"><li>(i) the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;</li><li>(ii) any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and</li><li>(iii) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and the Manager must not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.</li></ul>																
19	<p><b>Distribution Plan</b></p> <p>The fee payable to a Distributor is calculated as follows:</p> <table><tr><th>Assets in a Distributor’s serviced accounts</th><th>Fee paid by Manager</th></tr><tr><td>Up to MYR2 million</td><td>0.25% of the NAV in the Fund</td></tr><tr><td>More than MYR2 million but less than MYR5 million</td><td>0.30% of the NAV in the Fund</td></tr><tr><td>MYR5 million or greater</td><td>0.35% of the NAV in the Fund</td></tr></table>	Assets in a Distributor’s serviced accounts	Fee paid by Manager	Up to MYR2 million	0.25% of the NAV in the Fund	More than MYR2 million but less than MYR5 million	0.30% of the NAV in the Fund	MYR5 million or greater	0.35% of the NAV in the Fund	<p><b>Distribution Plan</b></p> <p>The fee payable to a Distributor is calculated as follows:</p> <table><tr><th>Assets in a Distributor’s serviced accounts</th><th>Fee paid by Manager</th></tr><tr><td>On the first MYR2 million, plus,</td><td>0.25% of the NAV in the Fund</td></tr><tr><td>On the next MYR3 million, plus,</td><td>0.30% of the NAV in the Fund</td></tr><tr><td>On all amounts over MYR5 million.</td><td>0.35% of the NAV in the Fund</td></tr></table>	Assets in a Distributor’s serviced accounts	Fee paid by Manager	On the first MYR2 million, plus,	0.25% of the NAV in the Fund	On the next MYR3 million, plus,	0.30% of the NAV in the Fund	On all amounts over MYR5 million.	0.35% of the NAV in the Fund
Assets in a Distributor’s serviced accounts	Fee paid by Manager																	
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On the first MYR2 million, plus,	0.25% of the NAV in the Fund																	
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On all amounts over MYR5 million.	0.35% of the NAV in the Fund																	

## Appendix I

No.	Previous	Current
20	<p><b>Background Information of the Manager</b></p> <p>(a) The Manager, Saturna Sdn Bhd ("SSB"), was incorporated in Malaysia in April 1995 and began managing client accounts under the name Alpha Asset Management Sdn Bhd. In March 2010, Saturna Capital Corporation acquired ownership of the Manager. Under the CMSA, SSB is a holder of capital markets services licence for Islamic fund management and dealing in unit trust products. SSB has more than 20 years' experience in providing fund management and fund advisory services, for both institutional and retail clients. SSB office is located in Kuala Lumpur, where it manages the ASEAN Equity Fund, ICD Global Sustainability Fund, private client accounts and advises the Crescent International Equity Fund (Australia) with a total assets value of MYR628 million, as at LPD.</p> <p>(b) Board of Directors</p> <p>Nicholas Kaiser (non-independent)</p> <p>Dato' Dr. Lee Chee Kuon (non-independent)</p> <p>Md Noor Bin Hj A.Rahman (independent)</p> <p>Dato' Seri Dr. Vaseehar Hassan Bin Abdul Razack (independent)</p> <p>Monem Salam (non-independent)</p> <p>(c) The Investment Committee:</p> <p>The investment committee meets four (4) times a year or as and when circumstance require. The roles and responsibilities of the investment committee include the review of the Fund's investment objective and guidelines, and to ensure that the Fund invests appropriately.</p>	<p><b>Background Information of the Manager</b></p> <p>(a) The Manager, Saturna Sdn Bhd ("SSB"), was incorporated in Malaysia in April 1995 and began managing client accounts under the name Alpha Asset Management Sdn Bhd. In March 2010, Saturna Capital Corporation acquired ownership of the Manager. Under the CMSA, SSB is a holder of a valid capital markets services licence for Islamic fund management and dealing in securities restricted to unit trust products. SSB has more than 20 years' experience in providing fund management and fund advisory services, for both institutional and retail clients. SSB office is located in Kuala Lumpur, where it manages the ASEAN Equity Fund and private client accounts with a total value exceeding MYR1.5 billion, as at LPD.</p> <p>(b) Board of Directors</p> <p>The list of board of directors are available on our website, <a href="http://www.saturna.com.my">www.saturna.com.my</a>.</p> <p>(c) (deleted)</p>
21	<p><b>Trustee</b></p> <p>The Trustee, SCBMB Trustee Berhad ("STB"), a company incorporated in Malaysia under the Companies Act 1965 on 13 June 2012 and registered as a trust company under the Trust Companies Act 1949. Its business address is at Level 13A, Menara Standard Chartered, 30 Jalan Sultan Ismail, 50250 Kuala Lumpur.</p> <p>STB's trustee services are supported by Standard Chartered Bank Malaysia Berhad ("SCBMB"), a subsidiary of Standard Chartered PLC, financially and for other various functions including but not limited to compliance, legal, operational risks and internal audit.</p>	<p><b>Trustee</b></p> <p>The Trustee, SCBMB Trustee Berhad ("STB") is a company incorporated in Malaysia under the Companies Act 2016 on 13 June 2012 and is registered as a trust company under the Trust Companies Act 1949.</p>
22	<p><b>The Shariah Advisor</b></p> <p>(a) Profile of the Shariah Team</p> <p>The designated person responsible for Shariah advisory matters relating to the Fund is Datuk Dr. Mohd Daud Bakar. Other consultants are Siti Nurah Haron and Nur Izzaatirah Rosli.</p> <p>(b) Other Information</p> <p>Further information on the Shariah Adviser is provided on our website, <a href="http://www.saturna.com.my">www.saturna.com.my</a>.</p>	<p><b>The Shariah Advisor</b></p> <p>(a) Profile of the Shariah Team</p> <p>The designated person responsible for Shariah advisory matters relating to the Fund is Tan Sri Dr. Mohd Daud Bakar as the Chairman. Other consultants are Suhaida Mahpot and Safuraa Ramli.</p> <p>(b) Other Information</p> <p>Further information on the Shariah Adviser is provided on our website, <a href="http://www.saturna.com.my">www.saturna.com.my</a> or Shariah Adviser's website at <a href="http://www.amanieadvisors.com">www.amanieadvisors.com</a>.</p>

## Appendix I

No.	Previous	Current								
23	<div><b>Deed</b></div> <table><tr><th>Deed</th><th>Date of Deed</th></tr><tr><td>Principal Deed</td><td>16 December 2013</td></tr><tr><td>First Supplemental Deed</td><td>23 November 2015</td></tr><tr><td>Second Supplemental Deed</td><td>18 February 2016</td></tr></table>	Deed	Date of Deed	Principal Deed	16 December 2013	First Supplemental Deed	23 November 2015	Second Supplemental Deed	18 February 2016	<div><b>Deed</b></div> <p>The deed of the Fund is dated 16 December 2013 as amended by the first supplemental deed dated 23 November 2015, the second supplemental deed dated 18 February 2016 and the third supplemental deed dated 31 March 2023.</p>
Deed	Date of Deed									
Principal Deed	16 December 2013									
First Supplemental Deed	23 November 2015									
Second Supplemental Deed	18 February 2016									
24	<div><b>Termination of The Fund</b></div> <p>The Fund may be terminated or wound up should the following events occur:</p> <ul style="list-style-type: none"><li>• The SC has withdrawn the authorization of the Fund pursuant to section 256E of the Act;</li><li>• A special resolution is passed at a meeting of Unit Holders to terminate or wind up the Fund, following occurrence of events stipulated under section 301(1) of the Act and the court has confirmed the resolution, as required under section 301(2) of the Act; and</li><li>• A special resolution is passed at a meeting of Unit Holders to terminate or wind up the Fund.</li></ul>	<div><b>Termination of The Fund</b></div> <p>The Fund may be terminated or wound up should the following events occur:</p> <ul style="list-style-type: none"><li>• The SC has withdrawn the authorization of the Fund pursuant to section 256E of the Act;</li><li>• A special resolution is passed at a meeting of Unit Holders to terminate or wind up the Fund, following occurrence of events stipulated under section 301(1) of the Act and the court has confirmed the resolution, as required under section 301(2) of the Act; and</li><li>• A special resolution is passed at a meeting of Unit Holders to terminate or wind up the Fund.</li></ul> <p>Subject to the provisions of the relevant laws, the Manager may, without having to obtain the prior approval of the Unit Holders, terminate the trust and wind up the Fund if such termination:</p> <ul style="list-style-type: none"><li>(a) is required by the relevant authorities; or</li><li>(b) is in the best interests of Unit Holders and the Manager in consultation with the Trustee deems it to be uneconomical for the Manager to continue managing the Fund.</li></ul>								
25	<div><b>Power to Call for A Meeting</b></div> <p>The quorum for a meeting of Unit Holders of the Fund is five (5) Unit Holders, whether present in person or by proxy, provided always that if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund shall be two (2) Unit Holders, whether present in person or by proxy; if the meeting has been convened for the purpose of voting on a special resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty five per centum (25%) of the Units in circulation of the Fund at the time of the meeting.</p>	<div><b>Power to Call for A Meeting</b></div> <p>The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy, however, if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders shall be two (2) Unit Holders, whether present in person or by proxy.</p> <p>If the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty-five per centum (25%) of the Units in circulation at the time of the meeting.</p> <p>If the Fund has only one (1) remaining Unit Holder, such Unit Holder, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Unit Holders.</p>								