



Saturna ASEAN Equity Fund

Semi-Annual Report

30th June 2024
(Unaudited)

Fund Manager

SATURNA SDN BHD 199501012969 (342171-V)

Suite 5-03, 5th Floor, Menara Atlan

161B Jalan Ampang, 50450 Kuala Lumpur

Tel: (603)2164 5303 Fax: (603)2164 5308

Email: info@saturna.com.my

Website: www.saturna.com.my

Trustee

SCBMB TRUSTEE BERHAD 201201021301 (1005793-T)

CONTENTS

1. FUND MANAGER'S REPORT	3
Fund Name	3
Type of Fund	3
Category of Fund	3
Investment Objective	3
Distribution Policy	3
Performance Benchmark	3
Fund Performance	4
Financial Performance	5
Annual Total Returns	6
Average Total Return	6
Stock Market Review	7-8
Market Outlook and Investment Strategy	9
Sustainable and Responsible Investment (SRI)	9
Asset Allocation of The Fund	10-11
Details of Distribution And Unit Split	12
Cross Trade Transaction	12
Securities Financing Transactions	12
State of Affairs	12
Policy on Stockbroking, Rebates, and Soft Commission	12
2. TRUSTEE'S REPORT	13
3. STATEMENT BY MANAGER	14
4. SHARIAH ADVISER'S REPORT	15
5. UNAUDITED STATEMENT OF FINANCIAL POSITION	16
6. UNAUDITED STATEMENT OF COMPREHENSIVE INCOME	17
7. UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE	18
8. UNAUDITED STATEMENT OF CASH FLOWS	19
9. NOTES TO THE FINANCIAL STATEMENTS	20-37
10. CORPORATE INFORMATION	38

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 Southeast 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.

PERFORMANCE BENCHMARK

6% absolute return ("the Benchmark")

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

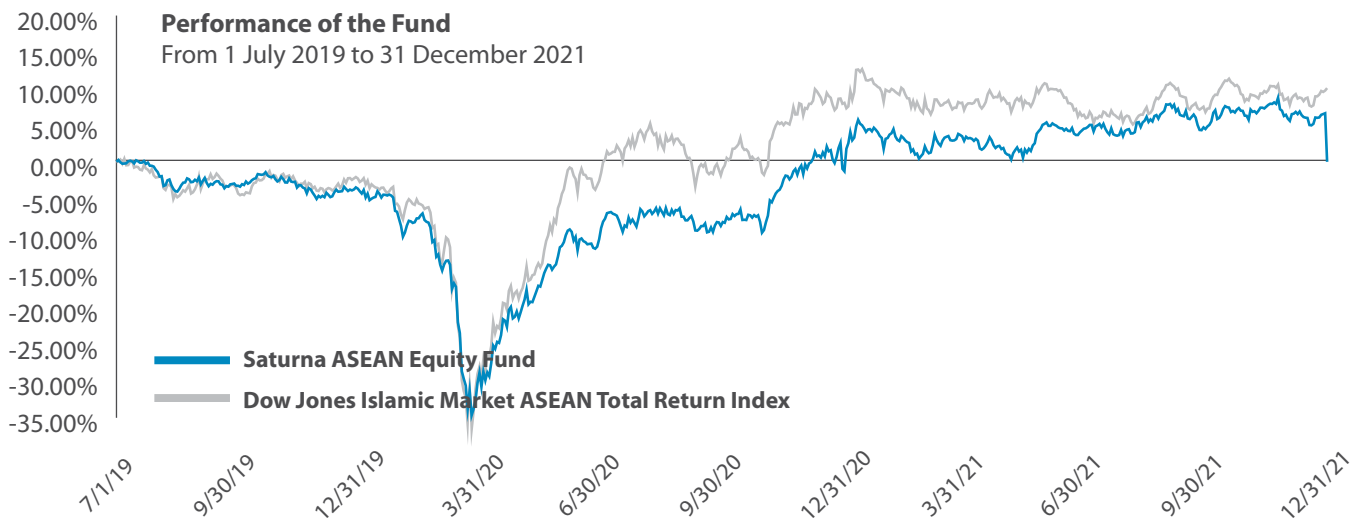
FUND PERFORMANCE

In the first half of 2023, the Fund registered a return of -3.74% compared to the benchmark's return of 3.00% (absolute return of 6% prorated for six months). In terms of stock holdings, Industri Jamu dan Farmasi, Malaysian Pacific Industries, KPJ Healthcare, and Telekom Malaysia contributed meaningfully to returns whereas KCE Electronics, Frasers Property Thailand, and Delfi were among the detractors. Financials and Health Care performed well but Consumer Staples and Utilities were weak.

We hold roughly 5.10% cash in the portfolio (as of June 30, 2024) compared with 5.50% at the end of 2023. We will continue to look for attractive investment opportunities to deploy the available cash over time.

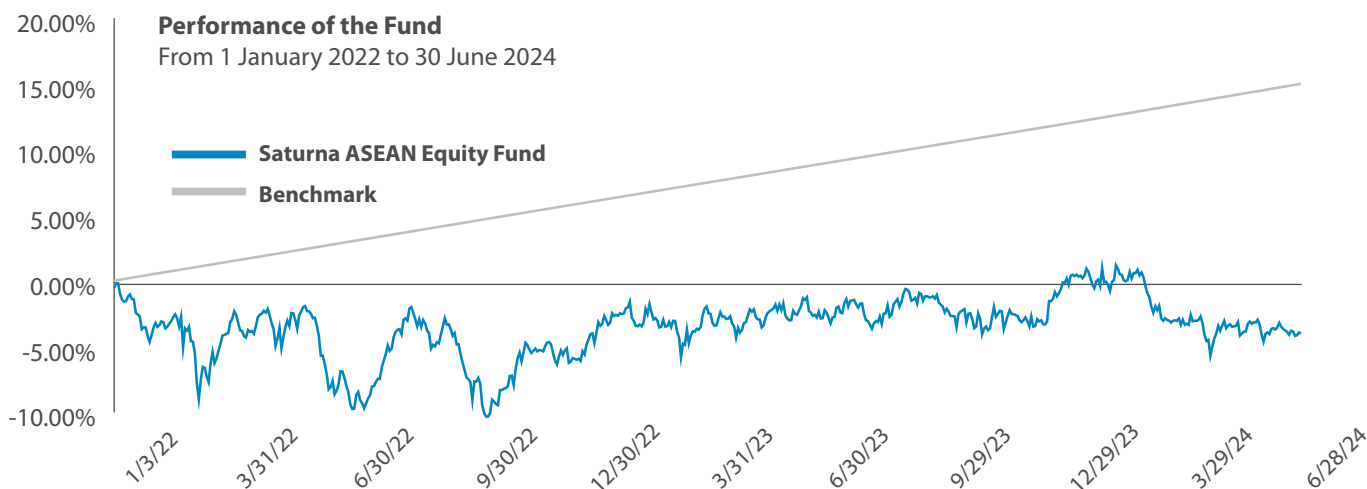
Lastly, the Manager strives to increase the value of the Fund over the long term.

The graph below compares the 5-year performance of the Fund against its benchmark return.



Source: Bloomberg

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



Source: Bloomberg

Benchmark: Effective January 1, 2022, the fund uses a 6% absolute return benchmark.

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

FINANCIAL PERFORMANCE

	As at 30 June 2024	As at 30 June 2023	As at 30 June 2022
Net Asset Value (RM)	18,095,799	21,917,411	12,463,606
Units in Circulation (units)	17,579,585	20,609,326	12,066,181
Net Asset Value / unit (RM)	1.0294	1.0635	1.0329
Highest NAV (RM)	1.0849	1.0805	1.1197
Lowest NAV (RM)	1.0124	1.0331	1.0241
Total Return			
Capital growth	-3.74 %	1.53%	-7.92%
Income distribution	-	-	-
Final Distribution			
Gross Distribution/unit	-	-	-
Net Distribution/unit	-	-	-
Date of Distribution	-	-	-
Portfolio Composition			
Quoted Equity Securities	95.09%	91.36%	92.00%
Other Liquid Assets	4.91%	8.64%	8.00%
Total Expense Ratio	0.35%	0.48%	0.36%
Total Expense Ratio (excluding Performance Fee)	0.35%	0.37%	0.36%
Portfolio Turnover Ratio	0.05 times	0.19 times	0.00 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 period is 0.35%.

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

B = Distribution Fee

C = Trustee Fee

D = Performance Fee

E = Audit Fee

F = Tax Agent's Fee

G = Other Expenses

H = Average NAV of the Fund, calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM18,309,086.58.

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

1. FUND MANAGER'S REPORT (continued)

Portfolio Turnover Ratio

The portfolio turnover ratio for the financial period is 0.05 times.

The lower PTR was due to lower trading activities relative to the previous year as we have a longer-term investment horizon on our current holdings.

The portfolio turnover ratio is derived from the following calculation:

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

Where:

total acquisition for the financial period = RM986,139.82

total disposal for the financial period = RM724,254.59

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

Total Annual Returns is based on NAV to NAV with distribution reinvested. Below is total return of the Fund as at 30 June 2024.

Year	2023	2022	2021	2020	2019
The Fund	4.00%	-4.81%	5.04%	4.53%	9.93%
Performance Benchmark	6.00%	6.00%	2.33%	8.18%	7.71%

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

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

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

AVERAGE TOTAL RETURN (in %)

Average Total Return is derived by the formula:

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

Average Total Return for the Following Periods Ended 30 June 2024:

Period	1-year (1 July 23 – 30 June 24)	3-year (1 July 21 – 30 Jun 24)	5-year (1 July 19 – 30 Jun 24)	Since Inception (7 Feb 14 – 30 Jun 24)
The Fund	-1.40%	-0.72%	0.25%	1.42%
Performance Benchmark	6.00%	6.23%	4.63%	5.99%

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

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

STOCK MARKET REVIEW

Markets remained very strong in first half of 2024 with the S&P 500 Index rallying 15.3%, STOXX Europe 600 Index rose 9.5%, MSCI Asia Pacific Index up 8.0%, MSCI Emerging Markets Index rose 7.5%, and the MSCI All Country World Index gained 11.6%. In the second quarter of 2024, these indices were up 4.3%, 1.6%, 3.0%, 4.3%, and 3.1% respectively.

Strong market performance was mainly driven by a growing conviction amongst equity investors that the US and global economies would more likely than not achieve a soft landing and interest rate hikes implemented by the Fed and other central banks since March 2022 to combat Covid-driven inflation had not impacted the global economic growth in any meaningful way. This was evident by resilient gross domestic product (GDP) growth post-Covid in the US (5.8% in 2021, 1.9% in 2022, 2.5% in 2023, and 2.9% in the first quarter of 2024), Europe (5.9% in 2021, 3.4% in 2022, 0.5% in 2023, and 0.4% the first quarter of 2024), and Asia Pacific (5.4% in 2021, 3.7% in 2022, 4.3% in 2023, and 4.1% for the first quarter of 2024). Additionally, solid corporate earnings growth in the US and elsewhere since the pandemic further supported the markets.

Investor sentiment was also boosted by the easing of global inflationary pressures with the US consumer price index (CPI) expected to be 2.4% in 2025 compared with 3.1% in 2024 and 4.1% in 2023; the Eurozone CPI is forecasted to be 2.1% in 2025 compared with 2.4% in 2024 and 5.5% in 2023. The global CPI projected to be 3.5% in 2025 compared with 4.6% in 2024 and 6.8% in 2023. Whilst there remains considerable angst amongst investors over the timing and magnitude of interest rate cuts in the US and other developed markets, the consensus view is that it is now a question of when and by how much, rather than whether, rates would be cut. Of note, the European Central Bank has already begun to cut rates.

With most of the world's largest economies generally intact — with some even thriving — and more stimulative interest rate cuts to come, it's no surprise market performance has been so strong.

In the second half of the fiscal year, markets were also lifted by a resurgence in investor enthusiasm for artificial intelligence (AI), which boosted stock valuations of information technology companies in the US and Europe. In China, increased policy support for its ailing property sector and announcements of stimulus programs eased investor worries over the health of the world's second largest economy.

Meanwhile, concerns around continuing US-China trade and tech tensions, the on-going Russia-Ukraine war and growing conflict in the Middle East, including the rising possibility of an Israel-Lebanon-Iran clash, were largely brushed aside by equity investors. The call for, and subsequent conduct of, snap parliamentary elections in France resulted in market weakness in that country but left the rest of Europe largely unaffected with the CAC 40 Index and STOXX 600 Index up 1.8% and 9.5% year-to-date, respectively. Separately, UK prime minister Rishi Sunak also announced snap elections to be held on July 4, 2024 with polls suggesting the Labor party in a comfortable lead over the Conservatives.

ASEAN markets bucked the trend of positive markets in the first half of 2024, with the MSCI ASEAN Index falling by 0.5% in US dollar terms, and down -0.2% in the second quarter of 2024. Much of this weakness was due to the depreciation of domestic currencies against the US dollar, which ranged from -2.7% for Malaysian Ringgit and Singapore Dollar to -7.3% for Thai Baht. Additionally, continuing headwinds from escalating US-China trade tensions, lingering concerns over the health of the Chinese economy and the prospect of a Trump presidency and associated global trade wars weighed on sentiment.

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

ASEAN Stock Market Review

Malaysia

In the first quarter of 2024, the FTSE Bursa Malaysia KLCI Index climbed 11.7% in local currency terms, and 8.7% in US dollar terms. It rose 4.0% and 4.1% respectively in the second quarter of 2024.

The stronger market was driven by a slew of announcements which are expected to boost domestic economic growth and corporate profitability. These included an memorandum of understanding (MOU) between Malaysia and Singapore to cooperate on the development of a special economic zone, additional new renewable energy quotas and plans by the government to draw up a comprehensive strategic plan for the semiconductor sector. The domestic tech sector was also boosted by news of a plan from Microsoft to invest \$2.2 billion to advance cloud and artificial intelligence (AI) infrastructure in Malaysia and an announcement by Google for a 9.4 billion Malaysian Ringgit investment to house its first Google data centre and Cloud region in Malaysia. Meanwhile, the establishment of a mechanism for more regular and seamless withdrawals from the Employees Provident Fund and announcement of a 13% pay hike for civil servants raised expectations for higher consumption spend.

Going forward, market direction is likely to depend on the ability of the government to execute its infrastructure and stimulus programs. Any reversal in dollar strength especially as US interest rates start to fall and concomitant commodity price uptick would also be positive for Malaysia along with signs of any acceleration in China's slowed economic growth.

Singapore

Singapore's Straits Times Index was up 5.7% in local currency terms and rose 2.8% in US dollar terms in the first quarter of 2024. In the second quarter, the index climbed 5.6% and 5.2% respectively.

The market mainly rode on positive global trends discussed and a decent first quarter of 2024 earnings season. The first quarter gross domestic product (GDP) growth of 2.7%, which beat the consensus expectations of 2.5%, also boosted investor sentiment.

As one of the world's most open economies, Singapore is likely to continue to take direction from the US and other markets. 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.

Philippines

The Philippine Stock Exchange Index fell -6.33% in local currency terms (-9.82% in US dollar terms) at quarter ended June 30, 2024. Year-to-date, the index fell -0.40% in local currency terms and declined -5.39% in US dollar terms.

The market weakness was in sharp contrast to Philippine's GDP growth which accelerated to 5.9% in the second quarter of 2024 from 5.7% in the first quarter, supported by high employment and government spending. Philippines also recently reaffirmed its 6% GDP growth target for 2024. Inflation has risen in 2024 and now stands at 3.9% compared with 2.8% in January mainly due to higher energy prices. Downside risks to the outlook consist of geopolitical tensions, high interest rates, and commodity price volatility.

Indonesia

The Jakarta Composite Index declined 2.08% in local currency terms (-4.85% in US dollar terms) in the second quarter of 2024. Year-to-date, the index fell 1.05% in local currency terms and declined 6.28% in US dollar terms.

Indonesia is targeting an 5.2% economic growth for 2024, fueled by domestic consumption which contributed 57% to the GDP in 2023. This would be bolstered by increased election related spending and an 8% salary hike for the roughly 3.7 million civil servants. Separately, president-elect Prabowo is expected to be inaugurated in October and has committed to continue Jokowi's current policies, signaling a stable investment climate and reduced political uncertainty.

Thailand

Thailand's SET Index fell -4.73% in local currency terms and declined -5.70% in US dollar terms in the second quarter of 2024. Year-to-date, the index fell -7.22% in local currency and declined -13.49% in US dollar terms.

Thailand trimmed its economic growth forecast for 2024 to 2-3% from 3.2% despite a better-than-expected expansion in the first quarter, citing slower pace of exports due to external global macroeconomic factors. Thailand's economy has lagged regional peers due to high household debt and borrowing costs as well as weak exports to China, its top trading partner. The central bank also kept the benchmark interest rates at a decade high of 2.50%. Thailand is forecasting 36.5 million foreign tourist arrivals in 2024, up from 35 million in 2023 but still below the pre pandemic level of 40 million.

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

MARKET OUTLOOK AND INVESTMENT STRATEGY

Reflecting strong market performance, the S&P 500 Index currently trades at 22.6 times earnings, well above its 10-year median of 18.5 times. The MSCI All Country World Index trades at 18.9 times P/E compared with its 10-year median of 16.7 times. Both indices are trading at or near their all-time highs and valuations are not cheap compared to the past. A key driver of strong performance has been the Magnificent Seven — a group of high-performing Technology stocks that includes Apple, Amazon, and Google parent Alphabet. The group is up 52% on average over the past year compared to the S&P 500 Equal Weighted Index gains of 24% and trade at 34 times P/E, reflecting strong earnings growth and earnings per share (EPS) projections. For comparison, the S&P 500 Equal Weighted Index trades at only 17.6 times P/E, below its 10-year median of 17.9 times. So while markets are generally not cheap, pockets of value remain available outside the mega cap Technology sector, especially if the earnings performance of the smaller, non-tech companies starts to pick up.

The prognosis for continued earnings growth is favourable as the consensus three-year forward EPS compound annual growth rate for the S&P 500 Index continues to increase and now stands at +10.5%. The S&P 500 Equal Weighted Index EPS is projected to grow around 9.5% annually while the EPS growth projection for the MSCI World Index has increased to 8.3%. US 2024 GDP growth is now projected at 2.3% compared with 2.2% previously, while the Eurozone is expected to see real GDP growth of 0.7% and 1.4% in 2024 and 2025, respectively, with Asia Pacific and China forecasted to expand more than 4%. Inflation is expected to continue to moderate globally, and most central banks could start cutting interest rates, which would lower costs and boost corporate profits. Meanwhile, many non-tech sectors are now only normalizing post-COVID and could start to see more investor interest as their earnings visibility increases, especially as Technology companies start to face tougher comparisons.

Key market risks include China's growth, the conflicts between Ukraine-Russia and Israel-Hamas, sticky inflation, and higher-for-longer interest rates, which could result in softer-than-expected global GDP growth. The possible re-election of Donald Trump as US president in November could further dampen global sentiment, particularly if he comes through on threats to impose 60% tariff on all Chinese imports and 10% tariffs on imports from other countries. With valuations at higher than historical median levels, any unexpected geopolitical or macro disappointment could result in some equity downside.

It is also worth noting that ASEAN valuations seem to be particularly cheap, with the MSCI ASEAN Index trading at only 13.4 times P/E compared with its 10-year median of 15.6 times. Further, its estimated dividend yield of 4.2% is a full percentage point higher than the historical median of 3.2% and compares very favourably with the S&P 400 Index 1.4% and MSCI All Country World Index 2%. Therefore, we have and 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. 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 within an appropriate timeframe.

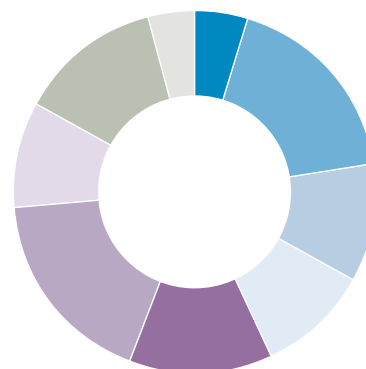
1. FUND MANAGER'S REPORT *(continued)*

ASSET ALLOCATION OF THE FUND

	30 June 2024	30 June 2023	30 June 2022
	% of NAV	% of NAV	% of NAV
Malaysia			
Communications	5.67	5.63	4.83
Consumer Discretionary	0.97	0.84	-
Consumer Staples	4.56	3.73	2.77
Financials	9.56	7.25	9.58
Health Care	8.63	5.91	5.09
Industrials	-	1.04	1.84
Technology	2.69	-	-
	32.08	24.40	24.11
Indonesia			
Communications	2.42	3.68	3.51
Consumer Discretionary	1.77	2.06	2.87
Consumer Staples	2.07	2.59	4.76
Financial	1.00	-	-
Health Care	2.49	2.75	2.35
	9.75	11.08	13.49
Singapore			
Communications	4.60	3.51	2.44
Consumer Discretionary	4.18	3.90	3.55
Consumer Staples	3.33	5.47	1.33
Financials	-	-	-
Industrials	3.84	2.84	2.97
Technology	7.74	6.09	6.82
	23.69	21.81	17.11
Thailand			
Communications	5.04	5.32	5.81
Consumer Discretionary	1.09	1.07	0.65
Consumer Staples	-	1.23	2.56
Financial	0.63	0.67	-
Health Care	6.77	6.95	4.07
Industrial	5.18	7.04	7.08
Technology	2.53	2.00	3.91
	21.24	24.28	24.08
Philippines			
Consumer Discretionary	2.59	3.03	5.36
Financial	1.54	-	-
Consumer Staples	-	1.83	2.20
Industrials	0.29	0.31	0.66
Materials	-	0.36	0.82
Utilities	3.91	4.26	4.17
	8.33	9.79	13.21
TOTAL	95.09	91.36	92.00
Cash & Other Liquid Assets	4.91	8.64	8.00
GRAND TOTAL	100.00	100.00	100.00

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

By Sector	30 June 2024	30 June 2023	30 June 2022	Sector Allocation as at 30 June 2024
	% of NAV	% of NAV	% of NAV	
Cash & Other Liquid Assets	4.91	8.64	8.00	
Communications	17.73	18.14	16.59	
Consumer Discretionary	10.60	10.90	12.43	
Consumer Staples	9.96	14.85	13.62	
Financials	12.73	7.92	9.58	
Health Care	17.89	15.61	11.51	
Industrials	9.31	11.23	12.55	
Materials	-	0.36	0.82	
Technology	12.96	8.09	10.73	
Utilities	3.91	4.26	4.17	
Total	100.00	100.00	100.00	



Fund performance from 30 June 2023 to 30 June 2024	30 June 24 RM	30 June 23 RM	% Change
Total NAV (Inclusive of Injection)	18,095,799	21,917,411	-17.44
NAV/unit	1.0294	1.0635	-3.21

NAV per unit at the end of 30 June 2024 decreased by -3.21% compared with 30 June 2023 as most indexes in the ASEAN region declined. Note that the fund paid 2 cents a unit in dividend on December 27, 2023. The Fund also has a sustainability and *Shariah*-focus, which prioritizes companies with low debt and a penchant for doing right for their stakeholders. All these factors should facilitate resilient portfolio performance for the Fund.

Top Five Investments as at 30 June 2024

Stock	Weight
KPJ Healthcare	5.81%
UMS Holdings	4.05%
Manila Electric	3.91%
Sats Ltd	3.84%
Venture Corp	3.69%

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

DETAILS OF DISTRIBUTION AND UNIT SPLIT

For the period under review, no distribution and unit split was made by the Fund.

CROSS TRADE TRANSACTION

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.

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.

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 period ended 30 June 2024 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.

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

Lor Yuen Ching

Trustee Services Manager

Kuala Lumpur, Malaysia

23 August 2024

Lee Kam Weng

Trustee Services Manager

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 30 June 2024 and of its financial performance and cash flows for the financial period then ended on that date and comply with the requirements of the Deed.

For and on behalf of the Manager



Monem Salam

Director, Saturna Sdn Bhd



Dato' Dr. Lee Chee Kuon

Director, Saturna Sdn Bhd

23 August 2024

4. SHARIAH ADVISER'S REPORT

TO THE UNIT HOLDERS OF SATURNA ASEAN EQUITY FUND ("THE 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 SATS Ltd which has been reclassified as *Shariah* non-compliant by the Shariah Adviser. This reclassified *Shariah* non-compliant instrument 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.

For **AMANIE ADVISORS SDN BHD**

TAN SRI DR MOHD DAUD BAKAR

Executive Chairman

Kuala Lumpur
23 August 2024

5. UNAUDITED STATEMENT OF FINANCIAL POSITION

Opinion

In the opinion of the Fund Manager, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards and the requirements of the Securities Commission's Guidelines on Unit Trust Funds so as to give a true and fair view of the financial position of the Fund as at 30 June 2024 and of its financial performance, the changes in net asset value, and the cash flows of the Fund for the period then ended.

	Note	As at 30 June 24 RM	As at 31 December 2023 RM
Investments			
Quoted Equity Securities	4	17,207,144	17,763,313
Short-term <i>Shariah</i> -based deposits	5	320,113	315,445
		17,527,257	18,078,758
Other Assets			
Amount due from stockbrokers		-	-
Amount due from manager		2,000	-
Amount due from distributors		500	46,336
Cash at bank		543,235	795,084
Other receivable		15,520	25,281
		561,255	866,701
Total Assets		18,088,512	18,945,459
Liabilities			
Amount due to manager		47,434	123,096
Amount due to trustee		692	806
Amount due to Unitholder Capital		-	-
Current Tax Liabilities		(63,754)	6,246
Other payables		8,341	16,960
		(7,287)	147,108
Net asset value attributable to Unitholders	6	18,095,799	18,798,351
Total equity and liabilities		18,088,512	18,945,459
Number of units in circulation	6	17,579,585	17,577,698
Net asset value per unit		1.0294	1.0694

6. UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

For the financial period ended 30 June 2024

		1 January 2024 to 30 June 2024	1 January 2023 to 30 June 2023
	Note	RM	RM
Income			
Profit from short-term <i>Shariah</i> -based deposits		4,670	10,110
Gross Dividends Income		325,653	437,792
Gross Dividend income from non-permissible securities		-	9,300
Net loss on foreign exchange		(3,907)	(9,011)
Net (loss)/gain on financial assets at fair value through profit or loss	4	(818,055)	(6,107)
Net gain/(loss) from non-permissible securities		-	17,814
		(491,639)	459,898
Less: Expenses			
Administration fee	7	22,395	25,738
Distribution fee	7	22,395	25,739
Performance fee	7	-	22,412
Trustee's fee	8	4,479	5,148
Auditors' fee		6,393	6,447
Tax agent's fee		1,476	1,488
Other expenses		6,801	12,870
		63,939	99,842
Net (loss)/profit before taxation & purification			
		(555,578)	360,056
Purification		(116,961)	(46,255)
Net (loss)/profit before taxation & after purification			
		(672,539)	313,801
Taxation		(24,721)	(88,694)
Net (loss)/profit after taxation & purification			
		(697,260)	225,107
Net (loss)/profit after taxation is made up as follows:			
Realised (loss)/gain		(334,001)	213,400
Unrealised (loss)/income net		(363,259)	11,707

7. UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE

For the financial period ended 30 June 2024

	Unitholders' Capital RM	Retained Earnings RM	Total Net Asset Value RM
Net asset value as at 1 January 2024	18,039,519	758,832	18,798,351
Movement due to creation / (cancellation) of units during the period:			
Creation of units	263,405	-	263,405
Cancellation of units	(268,697)	-	(268,697)
Total comprehensive loss for the financial period	-	(697,260)	(697,260)
Net asset value as at 30 June 2024	18,034,227	61,572	18,095,799
Net asset value as at 1 January 2023	16,013,913	448,401	16,462,314
Movement due to creation / (cancellation) of units during the period:			
Creation of units	5,712,109	-	5,712,109
Cancellation of units	(482,119)	-	(482,119)
Total comprehensive income for the financial period	-	225,107	225,107
Net asset value as at 30 June 2023	21,243,903	673,508	21,917,411

8. UNAUDITED STATEMENT OF CASH FLOWS

For the financial period ended 30 June 2024

	1 January 2024 to 30 June 2024	1 January 2023 to 30 June 2023
	RM	RM
Cash flows from/(for) operating and Investing activities		
Proceeds from sale of quoted investments	724,255	160,461
Purchase of quoted investments	(986,140)	(7,774,418)
Dividend received	306,788	409,385
Profit Murabahah received	4,669	10,099
Administration fee paid	(22,968)	(24,362)
Audit fee paid	(15,185)	(15,153)
Performance fee paid	(64,596)	-
Purification paid	(30,384)	(184)
Distribution fee paid	(34,226)	(82,175)
Trustee's fee paid	(4,594)	(4,872)
Tax Agent fee paid	(3,456)	-
Payment for other fees and expenses	(3,311)	(11,021)
Income Tax Paid	(70,000)	(35,200)
Net cash generated (for)/from operating and investing activities	(199,148)	(7,367,440)
Cash flows from financing activities		
Proceeds from issuance of units	220,664	5,712,194
Payments for cancellation of units	(268,697)	(482,119)
Net cash from financing activities	(48,033)	5,230,075
Net (decrease) / increase in cash and cash equivalents	(247,181)	(2,137,365)
Cash and cash equivalents at beginning of the period	1,110,529	4,115,697
Cash and cash equivalents at end of the period	863,348	1,978,332
Cash and cash equivalents Comprise:		
Cash at bank	543,235	1,245,221
Short-term <i>Shariah</i> -based deposits	320,113	733,111
	863,348	1,978,332

9. NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024

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 and current income. 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 activity. The Manager is incorporated in Malaysia.

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 material 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 all the 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 except as follows:-

Amendments to MFRS 101: Disclosure of Accounting Policies

The Amendments to MFRS 101 ‘Disclosure of Accounting Policies’ did not result in any changes to the existing accounting policies of the Fund. However, the amendments require the disclosure of ‘material’ rather than ‘significant’ accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about the material accounting policy disclosures. The Fund has made updates to the accounting policies presented in Note 2 to the financial statements in line with the amendments.

Continued on next page.

9. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

2. BASIS OF PREPARATION *(continued)*

2.2 The Fund has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
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.

Continued on next page.

9. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

3. MATERIAL ACCOUNTING POLICIES

3.1 FINANCIAL INSTRUMENTS

(a) Financial Assets

(i) Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

(ii) Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

(iii) Financial Assets Through Other Comprehensive Income

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.

(b) Financial Liabilities

(i) Financial Liabilities Through Profit or Loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest expense.

(ii) Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

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

3.2 CLASSIFICATION OF REALISED AND UNREALISED GAINS AND LOSSES

Unrealised gains and losses comprise changes in the fair value of financial instruments for the year from the reversal of the prior period's unrealised gains and losses for financial instruments which were realised (i.e. sold, redeemed or matured) during the reporting period.

Realised gains and losses on disposals of financial instruments classified as part of 'at fair value through profit or loss' are calculated using weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin account for such instruments).

Continued on next page.

9. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

3. MATERIAL ACCOUNTING POLICIES *(continued)*

3.3 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 (“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.

3.4 UNITHOLDERS’ CONTRIBUTION

The Unitholders’ contributions to the Fund meet the definition of puttable instruments classified as equity instruments.

3.5 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.

3.6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

3.7 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.

3.8 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 difference.

Continued on next page.

9. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.9 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Fund's financial statements requires the Manager of the Fund to make judgement, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions could result in an outcome that could require a material adjustment to the carrying amount of the asset or liability in the future.

No major judgements have been made by the Manager of the Fund in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next year.

3.10 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.

Continued on next page.

9. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

4. INVESTMENTS

	2024	2023
Financial assets at FVTPL	RM	RM
Quoted Equity Securities	17,207,144	20,021,539

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

	2024	2023
	RM	RM
Net (loss)/gain on financial assets at FVTPL comprised:-		
Realized (loss)/gain on disposals	(454,796)	106,396
Unrealized changes in fair value	(363,259)	(94,689)
	(818,055)	11,707

Financial assets designated as FVTPL as at 30 June 2024 are as detailed below:

2024	Quantity (Units)	Cost (RM)	Market Value (RM)	% of NAV
Malaysia				
Communications				
Telekom Malaysia	66,000	387,657	446,160	2.47%
TIME dotCom Bhd	115,000	563,457	578,450	3.20%
		951,114	1,024,610	5.67%
Consumer Discretionary				
Bermaz Auto Bhd	70,000	165,584	175,700	0.97%
Consumer Staples				
Frasers& Neave Holdings Bhd	8,000	199,353	254,240	1.40%
Nestle(Malaysia) Bhd	4,700	546,516	571,050	3.16%
		745,869	825,290	4.56%
Financials				
Al-'Aqar Healthcare REIT	191,000	260,533	246,390	1.36%
Axis Real Estate Investment Trust	260,000	463,261	475,800	2.63%
Bank Islam Malaysia Bhd	112,000	315,725	278,880	1.54%
KLCCP Stapled Group	30,000	225,786	222,000	1.23%
Syarikat Takaful Malaysia Keluarga	136,000	414,033	507,280	2.80%
		1,679,338	1,730,350	9.56%
Health Care				
IHH Healthcare Bhd	81,000	380,144	510,300	2.82%
KPJ Healthcare Bhd	545,000	533,567	1,051,850	5.81%
		913,711	1,562,150	8.63%
Technology				
Frontken Corporation Bhd	56,000	249,033	249,760	1.38%
Malaysian Pacific Industries Bhd	6,000	164,297	236,520	1.31%
		413,330	486,280	2.69%

Continued on next page.

9. NOTES TO THE FINANCIAL STATEMENTS (continued)

2024	Quantity (Units)	Cost (RM)	Market Value (RM)	% of NAV
Indonesia				
Communications				
Telkom Indonesia	485,000	429,346	437,610	2.42%
Consumer Discretionary				
Aspirasi Hidup Indosnesia Tbk	1,300,000	488,282	320,413	1.77%
Consumer Staples				
Unilever Indonesia	430,000	708,969	374,348	2.07%
Financial				
PT Bank Syariah Indonesia Tbk	240,000	210,128	181,265	1.00%
Health Care				
Kalbe Farma	770,000	360,953	338,502	1.87%
PT Industri Jamu dan Farmasi Sido	500,000	130,135	111,705	0.62%
		491,088	450,207	2.49%
Singapore				
Communications				
NetLink NBN Trust	60,000	172,075	173,338	0.95%
Singapore Telecommunications	69,000	620,244	660,459	3.65%
		792,319	833,797	4.60%
Consumer Discretionary				
ComfortDelGro Corp. Ltd	136,000	662,730	634,320	3.51%
Hrnetgroup Ltd	50,000	136,094	121,824	0.67%
		798,824	756,144	4.18%
Consumer Staples				
Delfi Ltd	200,000	547,410	602,158	3.33%
Industrials				
SATS Ltd *	70,000	742,773	694,396	3.84%
Technology				
UMS Holdings	178,500	550,022	733,136	4.05%
Venture Group	13,500	753,254	668,187	3.69%
		1,303,276	1,401,323	7.74%
Thailand				
Communications				
Plan B Media Public-Foreign	502,000	425,028	490,008	2.71%
Intouch Holdings Public Co-Foreign	46,000	425,074	422,425	2.33%
		850,102	912,433	5.04%
Consumer Discretionary				
Siam Wellness Group Pcl-Foreign	225,000	242,590	197,951	1.09%

Continued on next page.

9. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

2024	Quantity (Units)	Cost (RM)	Market Value (RM)	% of NAV
Thailand <i>(continued)</i>				
Financial				
Frasers Property of Thailand Industrial REIT	105,000	204,162	113,954	0.63%
Health Care				
Bangkok Dusit Medical Services PCL-Foreign	136,000	548,331	467,249	2.58%
Bumrungrad Hospital PCL-Foreign	6,000	181,288	190,342	1.05%
Chularat Hospital PCL-Foreign	1,700,000	707,096	567,686	3.14%
		1,436,715	1,225,277	6.77%
Industrials				
Airports of Thailand-Foreign	73,000	667,958	541,452	2.99%
Delta Electronics(Thailand)PCL-Foreign	37,000	187,946	395,614	2.19%
		855,904	937,066	5.18%
Technology				
KCE ElectronicsPCL-Foreign	85,000	507,668	458,515	2.53%
Philippines				
Consumer Discretionary				
Wilcon Depot, Inc	325,000	466,699	468,549	2.59%
Financial				
AREIT	100,000	301,192	277,867	1.54%
Industrials				
Concepcion Industrial Corp.	54,000	211,504	52,017	0.29%
Utilities				
Manila Electric Co	24,000	530,264	707,474	3.91%
Total Financial Assets at FVTPL		16,988,161	17,207,144	95.09%

* These securities are Shariah-Qualified Compliant¹ as of 30 June 2024.

¹ "Shariah-Qualified Compliant" 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.

Continued on next page.

9. NOTES TO THE FINANCIAL STATEMENTS (continued)

4. INVESTMENTS (continued)

Financial assets designated as FVTPL as at 30 June 2023 are as detailed below:

2023	Quantity (Units)	Cost (RM)	Market Value (RM)	% of NAV
Malaysia				
Communications				
Axiata Group Bhd*	39,000	255,601	103,350	0.47%
Telekom Malaysia*	66,000	387,657	324,060	1.48%
TIME dotCom Bhd	155,000	759,442	806,000	3.68%
		1,402,700	1,233,410	5.63%
Consumer Discretionary				
Sime Darby Bhd	90,000	211,190	184,500	0.84%
Consumer Staples				
Frasers& Neave Holdings Bhd	8,000	199,353	201,760	0.92%
Nestle (Malaysia) Bhd	4,700	546,516	615,700	2.81%
		745,869	817,460	3.73%
Financials				
Al-'Aqar Healthcare REIT	191,000	260,533	242,570	1.11%
Axis Real Estate Investment Trust	260,000	463,261	475,800	2.17%
Bank Islam Malaysia Bhd	112,000	315,725	218,400	1.00%
Syarikat Takaful Malaysia Keluarga	196,000	596,695	650,720	2.97%
		1,636,214	1,587,490	7.25%
Health Care				
IHH Healthcare Bhd	81,000	380,144	477,090	2.18%
KPJ Healthcare Bhd	730,000	714,686	817,600	3.73%
		1,094,830	1,294,690	5.91%
Industrials				
Gamuda Bhd*	40,000	190,038	176,000	0.80%
Hartalega Holdings Bhd	28,000	165,382	52,920	0.24%
		355,420	228,920	1.04%
Indonesia				
Communications				
Telkom Indonesia	650,000	575,412	805,994	3.68%
Consumer Discretionary				
Ace Hardware Indonesia	1,300,000	488,282	272,023	1.24%
Ramayana Lestari Sentosa Tbk	1,000,000	378,791	179,799	0.82%
		867,073	451,822	2.06%
Consumer Staples				
Unilever Indonesia	430,000	708,969	567,854	2.59%
Health Care				
Kalbe Farma	770,000	360,953	489,331	2.23%
PT Industri Jamu dan Farmasi Sido	500,000	130,135	113,149	0.52%
		491,088	602,480	2.75%

Continued on next page.

9. NOTES TO THE FINANCIAL STATEMENTS (continued)

4. INVESTMENTS (continued)

2023	Quantity (Units)	Cost (RM)	Market Value (RM)	% of NAV
Singapore				
Communications				
Singapore Telecommunications	69,000	620,244	594,008	2.71%
NetLink NBN Trust	60,000	172,075	176,653	0.80%
		792,319	770,661	3.51%
Consumer Discretionary				
ComfortDelGro Corp. Ltd	182,000	886,889	726,997	3.32%
Hrnetgroup Ltd	50,000	136,094	127,410	0.58%
		1,022,983	854,407	3.90%
Consumer Staples				
Delfi Ltd	270,000	739,004	1,199,380	5.47%
Industrials				
SATS Ltd*	70,000	742,773	621,901	2.84%
Technology				
UMS Holdings	178,500	550,022	651,550	2.97%
Venture Corp	13,500	753,254	683,833	3.12%
		1,303,276	1,335,383	6.09%
Thailand				
Communications				
Plan B Media Public Foreign	670,000	567,268	713,728	3.26%
Intouch Holdings Public Co. Ltd	46,000	425,074	450,455	2.06%
		992,342	1,164,183	5.32%
Consumer Discretionary				
Siam Wellness Group Pcl-Foreign	150,000	242,590	234,226	1.07%
Consumer Staples				
Carabao Group Company Ltd-Foreign	31,000	268,960	268,698	1.23%
Financial				
Frasers Property of Thailand Industrial REIT	105,000	204,162	147,285	0.67%
Health Care				
Bangkok Dusit Medical Services PCL-Foreign	182,000	733,796	668,338	3.05%
Bumrungrad Hospital PCL-Foreign	6,000	181,288	179,441	0.82%
Chularat Hospital PCL-Foreign	1,700,000	707,096	674,889	3.08%
		1,622,180	1,522,668	6.95%
Industrials				
Airports of Thailand-Foreign	98,000	896,710	933,729	4.26%
Delta Electronics(Thailand)PCL-Foreign	50,000	253,981	608,723	2.78%
		1,150,691	1,542,452	7.04%
Technology				
KCE ElectronicsPCL-Foreign	85,000	507,668	438,678	2.00%

Continued on next page.

9. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

4. INVESTMENTS *(continued)*

2023	Quantity (Units)	Cost (RM)	Market Value (RM)	% of NAV
Philippines				
Consumer Discretionary				
Wilcon Depot, Inc	325,000	466,699	663,619	3.03%
Consumer Staples				
D&L Industries Inc.	650,000	531,299	401,194	1.83%
Industrials				
Concepcion Industrial Corp.	54,000	211,504	68,943	0.31%
Materials				
Holcim Philippines Inc.	240,000	260,253	78,531	0.36%
Utilities				
Manila Electric Co	33,000	729,113	934,710	4.26%
Total Financial Assets at FVTPL		19,876,581	20,021,539	91.36%

* These securities are Shariah-Qualified Compliant¹ as of 30th June 2023.

¹ "Shariah-Qualified Compliant" 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.

Continued on next page.

9. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

5. SHORT-TERM SHARIAH-BASED DEPOSITS

Short-term deposits bore a weighted average effective profit rate of 3.02% (2023 : 2.90%) per annum at the end of the previous reporting period. The short-term Shariah-based deposits had maturity periods 33 days. (2023 : 7 to 31 days)

6. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

	2024 RM	2023 RM
Unitholders' contribution	18,034,227	21,243,903
Retained earnings		
Realised reserve	(157,410)	421,045
Unrealised reserve	218,982	252,463
	18,095,799	21,917,411

Unitholders' Contribution

	2024		2023	
	Number of Units	RM	Number of Units	RM
At beginning of the financial year	17,577,698	18,039,519	15,716,336	16,013,913
Creation of units	252,358	263,405	5,347,647	5,712,109
Cancellation of units	(250,471)	(268,697)	(454,657)	(482,119)
At end of the financial period	17,579,585	18,034,227	20,609,326	21,243,903

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.

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. UNITS HELD BY MANAGER, EMPLOYEES OF THE MANAGER, DIRECTOR OF THE MANAGER, AND RELATED PARTIES

	2024		2023	
	Number of Units	RM	Number of Units	RM
Manager	4,769,066	4,909,106	4,681,648	4,978,795
Employees of the Manager	66,492	68,444	62,123	67,130
Director of the Manager	509,150	524,101	496,583	528,101
Related party to the Director of the Manager	11,340,451	11,673,457	11,060,535	11,762,553
	16,685,159	17,175,108	16,300,889	17,336,579

Continued on next page.

9. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

10. TRANSACTIONS WITH INVESTMENT BANKS

Details of transactions with investment banks for the financial period from 1 January 2024 to 30 June 2024 are as follows: -

	Value of Trade	Percentage of Total Trade	Brokerage Fees	Percentage of Total Brokerage Fees
	RM	%	RM	%
CGS International	337,860	19.73	338	12.00
Maybank Investment Bank Berhad	768,198	44.86	1,265	44.92
RHB Investment Bank Berhad	606,511	35.41	1,213	43.08
	1,712,569	100.00	2,816	100.00

Details of transactions with investment banks for the financial period from 1 January 2023 to 30 June 2023 are as follows:-

	Value of Trade	Percentage of Total Trade	Brokerage Fees	Percentage of Total Brokerage Fees
	RM	%	RM	%
CIMB Investment Bank Berhad	5,061,588	63.92	5,062	62.63
Maybank Investment Bank Berhad	2,695,520	34.04	2,695	33.34
RHB Investment Bank Berhad	161,040	2.04	326	4.03
	7,918,148	100.00	8,083	100.00

The above transactions were in respect of listed securities.

11. TOTAL EXPENSE RATIO

The total expense ratio for the financial period is 0.35%.

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

B = Distribution Fee

C = Trustee Fee

D = Performance Fee

E = Audit Fee

F = Tax Agent's Fee

G = Other Expenses

H = Average NAV of the Fund, calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM18,309,086.58.

12. PORTFOLIO TURNOVER RATIO

The portfolio turnover ratio for the financial period is 0.05 times.

The portfolio turnover ratio is derived from the following calculation:

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

Where:

total acquisition for the financial period = RM 986,139.82

total disposal for the financial period = RM 724,254.59

Continued on next page.

9. NOTES TO THE FINANCIAL STATEMENTS (continued)

13. FINANCIAL INSTRUMENTS

(a) Classification of Financial Instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortized cost based on their respective classification. The significant policies in Note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognized. 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.

2024	Financial Asset at FVTPL RM	Financial Asset at Amortised Cost RM	Financial Liabilities at Amortised Cost RM	Total RM
Assets				
Quoted Equity Securities	17,207,144	-	-	17,207,144
Amount owing from Manager	-	2,000	-	2,000
Amount owing from distributor	-	500	-	500
Sundry receivables	-	15,520	-	15,520
Short-term <i>Shariah</i> -based deposits	-	320,113	-	320,113
Cash at bank	-	543,235	-	543,235
Total financial assets	17,207,144	881,368	-	18,088,512
Liabilities				
Other payables and accruals	-	-	8,341	8,341
Amount owing to Unitholder Capital	-	-	-	-
Amount owing to Manager	-	-	47,434	47,434
Amount owing to Trustee	-	-	692	692
Total financial liabilities	-	-	56,467	56,467

2023	Financial Asset at FVTPL RM	Financial Asset at Amortised Cost RM	Financial Liabilities at Amortised Cost RM	Total RM
Assets				
Quoted Equity Securities	20,021,539	-	-	20,021,539
Amount owing from Manager	-	-	-	-
Amount owing from distributor	-	-	-	-
Sundry receivables	-	50,158	-	50,158
Short-term <i>Shariah</i> -based deposits	-	733,111	-	733,111
Cash at bank	-	1,245,221	-	1,245,221
Total financial assets	20,021,539	2,028,490	-	22,050,029
Liabilities				
Other payables and accruals	-	-	11,591	11,591
Amount owing to Unitholder Capital	-	-	-	-
Amount owing to Manager	-	-	89,196	89,196
Amount owing to Trustee	-	-	899	899
Total financial liabilities	-	-	101,686	101,686

Continued on next page.

9. NOTES TO THE FINANCIAL STATEMENTS (continued)

	2024	2023
	Income, expense, gains and losses	Income, expense, gains and losses
	RM	RM
Net gains and losses from financial assets at FVTPL	(818,055)	11,707
Profit from short-term <i>Shariah</i> -based deposits	4,670	10,110

(b) Fair Value Measurements

As of end of the financial period, the Fund held the following financial assets carried at fair value:

	Financial Instruments Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3		
2024	RM	RM	RM	RM	RM
Financial Asset					
Quoted Equity Securities	17,207,144	-	-	17,207,144	17,207,144

	Financial Instruments Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3		
2023	RM	RM	RM	RM	RM
Financial Asset					
Quoted Equity Securities	20,021,539	-	-	20,021,539	20,021,539

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.

14. 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.

Continued on next page.

9. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

14. FINANCIAL RISK MANAGEMENT POLICIES *(continued)*

(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 liquid assets including 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 of macroeconomic and currency trends in the Southeast Asian economies.

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 multipliers.

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.

(ii) Equity Price Risk

Equity price risk is the risk of unfavorable 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.

Continued on next page.

9. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

14. FINANCIAL RISK MANAGEMENT POLICIES *(continued)*

(c) Market Risk (continued)

(iii) Currency Risk

The Fund is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than 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.

(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 credit risk by undertaking credit evaluation and close monitoring of any changes to the issuer/counterparty’s credit profile to minimize 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 recognized in the statement of financial position.

Assessment of Impairment Losses

The Fund’s investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. The Fund measures credit risk and expected credit losses (“ECL”) using probability of default, exposure at default and loss given default. The Manager consider both historical analysis and forward looking information in determining any ECL. The Manager consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowances has been recognised based on the 12 month ECL as any such impairment would be wholly insignificant to the Fund.

(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 realize 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 7 business days notice period before redemptions.

The Manager’s policy is to always maintain a prudent and sufficient level of liquid assets so as to meet normal operating requirements and expected redemption requests by unitholders. Liquid assets comprise cash, deposits with financial institutions and other instruments which are capable of being converted into cash within 3 months.

The following table sets out the maturity profile of the Fund’s issue (classified as equity instruments) and financial liabilities. Balances due within six months equal their carrying amounts, as the impact of discounting is insignificant. The table also analyses the maturity profile of the Fund’s financial assets (undiscounted where appropriate) and equity in order to provide a complete view of the Fund’s contractual commitments and liquidity.

9. NOTES TO THE FINANCIAL STATEMENTS *(continued)*

2024	Less than 3 months RM	3 months – 1 year RM	Total RM
Financial assets:-			
Quoted Equity Securities	17,207,144	-	17,207,144
Short-term <i>Shariah</i> -based deposits	320,113	-	320,113
Cash at bank	543,235	-	543,235
Other assets	18,020	-	18,020
Total financial assets	18,088,512	-	18,088,512
Financial liability:-			
Other liabilities	56,467	-	56,467
Total net financial assets	18,032,045	-	18,032,045
2023	Less than 3 months RM	3 months – 1 year RM	Total RM
Financial assets:-			
Quoted Equity Securities	20,021,539	-	20,021,539
Short-term <i>Shariah</i> -based deposits	733,111	-	733,111
Cash at bank	1,245,221	-	1,245,221
Other assets	50,158	-	50,158
Total financial assets	22,050,029	-	22,050,029
Financial liability:-			
Other liabilities	101,686	-	101,686
Total net financial assets	21,948,343	-	21,948,343

10. 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 No. : 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
Shahariah Binti Shahrudin
Zahid Siddique

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)

