

SATURNA ASEAN EQUITY FUND



ECONOMIC OUTLOOK

The FTSE Bursa Malaysia KLCI Index rose 2.42% (4.77% in US dollar terms) in the fourth quarter. Investors mainly took direction from positive global market movements, given a dearth of domestic market news flow. 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's Straits Times Index grew 1.37% (4.97% in US dollar terms) in the fourth quarter. Going forward, the Index 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.

Thailand's SET Index fell -3.44% locally but grew 3.30% in US dollar terms in the fourth quarter. Index performance in 2024 will likely depend on the return of tourists and investors to Thailand, as well as the US and Chinese economies.

The Jakarta Composite Index rose 5.22% (5.83% in US dollar terms) in the fourth quarter. Indonesia's economic growth is expected to surpass 5% in 2023 as inflation eases and domestic demand growth picks up. 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 February 14, 2024, could impact the continuation of some of the government projects.

The Philippines Stock Exchange Index grew 2.62% (4.95% in US dollar terms) in the fourth quarter. 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).

The MSCI ASEAN Index's low price-to-earnings valuation at 14x compared with its five-year median of 16x is a saving grace. Further, its estimated dividend yield of ~4% is close to a full percentage point higher than the historical median of ~3% and compares very favorably 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.

AVERAGE ANNUAL TOTAL RETURNS

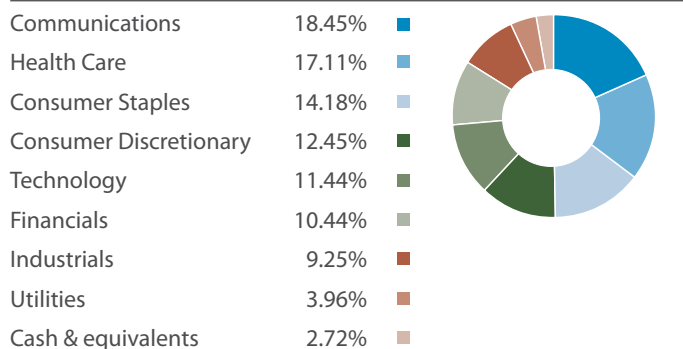
(as at 31 January 2024)

	Since Inception	1 Month	YTD	1 Year	3 Year	5 Year
Saturna ASEAN Equity Fund¹	1.68%	-0.50%	-0.50%	1.02%	1.17%	2.30%
6.00% Per Annum Absolute Return	n/a	0.50%	0.50%	6.00%	6.00%	6.00%
Dow Jones Islamic Market ASEAN Index	-0.57%	-4.62%	-4.62%	-14.35%	-7.16%	-1.79%

Source: Bloomberg, Saturna Sdn Bhd

¹ Including Dividends.

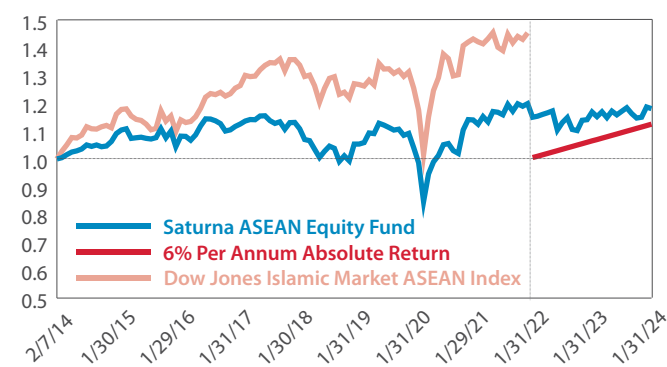
SECTOR ALLOCATION (as at 31 January 2024)



Source: Saturna Sdn Bhd

Sector weightings are shown as a percentage of Fund assets.

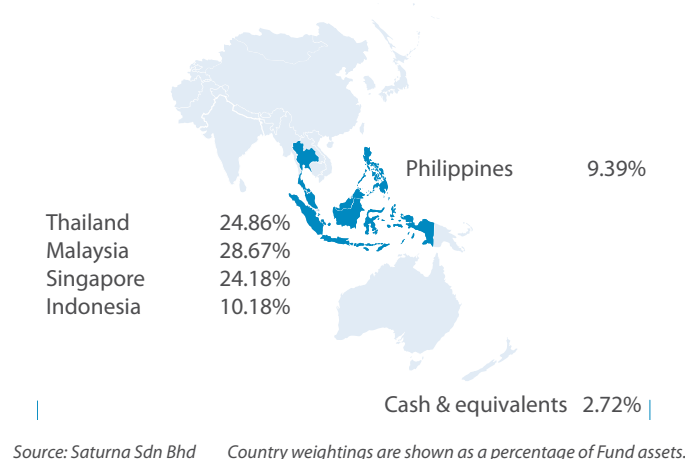
COMPARATIVE PERFORMANCE



Source: Bloomberg

Beginning January 1, 2022, the Benchmark changed to 6% Absolute Return

COUNTRY ALLOCATION (as at 31 January 2024)



Source: Saturna Sdn Bhd

Country weightings are shown as a percentage of Fund assets.

NOT PIDM INSURED | NOT BANK GUARANTEED | MAY LOSE VALUE

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SATURNA ASEAN EQUITY FUND



TOP 10 HOLDINGS (as at 31 January 2024)

KPJ Healthcare	4.75%
UMS Holdings	4.37%
Delfi	4.21%
Manila Electric	3.95%
SATS	3.68%
ComfortDelGro	3.64%
Chularat Hospital PCL	3.64%
Venture	3.46%
TIME dotCom Bhd	3.42%
Wilcon Depot	3.24%

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

FUND FACTS

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

INVESTMENT STRATEGY

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

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

CONTACT DETAILS

Manager

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TARGET INVESTORS

The Fund is suitable for investors who are looking for:

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

SUMMARY OF KEY TERMS

Fund Size (31-JAN-2024)	MYR 18.50 million
Minimum Investment	MYR 2,000
Minimum Increment	MYR 200
Type of Product	Open-ended (Unit Trust Fund)
Fund Category	<i>Shariah</i> -Compliant Equity
Fund Type	Growth
Domicile	Malaysia
Term	Daily Liquidity
Target Region	ASEAN
Manager	Saturna Sdn Bhd
Trustee	SCBMB Trustee Berhad
Shariah Advisor	Amanie Advisors Sdn Bhd
Auditor	Crowe Malaysia PLT
Tax Agent	Crowe KL Tax Sdn Bhd
Administration Fee	0.25% per annum of the NAV of the Fund
Distribution Fee	Up to 0.25% per annum of the NAV of the Fund (on a reimbursement basis)
Trustee Fee	0.05% per annum of the NAV of the Fund
Performance Fee	10% of the change in gross asset value that cumulatively increases or decreases, excluding subscriptions and redemptions, for each day in the financial year
No Direct Fees or Charges	No charges for Sales, Redemption, Transfer, or Switching

Disclaimer: Investors are advised to read and understand the contents of the Fund's prospectus (dated 11 October 2023 for Saturna ASEAN Equity Fund) and its Product Highlights Sheet, obtainable at our offices and our website, before investing. The prospectus has been registered with the Securities Commission Malaysia which takes no responsibility for its contents. Investors should also consider the fees and charges involved. The price of units and investment returns may go down as well as up. Past performances of the Fund are not an indication of the Fund's future performances. Units will only be issued upon receipt of the application from accompanying the prospectus. There are risks involved with investing in unit trust funds. Some of these risks associated with investments in unit trust funds are market risk, non-compliance risk, performance risk, equity securities risk, operational risk, price level risk, large and mid-size company risk, concentration risk, country risk, political risk, currency risk, active investment risk, and reclassification of *Shariah* status risk. For further details on the risk profile of the Fund, please refer to the Risk Factors section in the prospectus.