



Saturna Global Sustainable Fund

Semi-Annual Report

31 December 2023
(Unaudited)

A Qualified Sustainable & Responsible Investment Fund

Fund Manager

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Trustee

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1. FUND MANAGER'S REPORT

FUND NAME

Saturna Global Sustainable Fund ("the Fund")

TYPE OF FUND

Growth & Income

CATEGORY OF FUND

Shariah-compliant Equity

INVESTMENT OBJECTIVE

To achieve long-term capital appreciation and income by investing in global markets.

DISTRIBUTION POLICY

Subject to availability of income, distributions will be made on semi-annual basis.

All income distribution will 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 in cash via bank transfer. The Units will be reinvested based on the Net Asset Value (NAV) per Unit on the first Business Day following the day the distribution is declared.

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 (NAV) seven (7) Business Days after the validity period of the cheques.

FOREIGN EXCHANGE RATE

All foreign securities and assets are converted into US Dollar ("US\$") based on the bid exchange rate quoted by Bloomberg at United Kingdom time 4.00 p.m. the same day.

PERFORMANCE BENCHMARK

MSCI ACWI Islamic Index (US\$) ("the Benchmark")

The benchmark is used as a yardstick to assess the performance of the Fund only. The risk profile of the Fund is different from the risk profile of the benchmark.

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

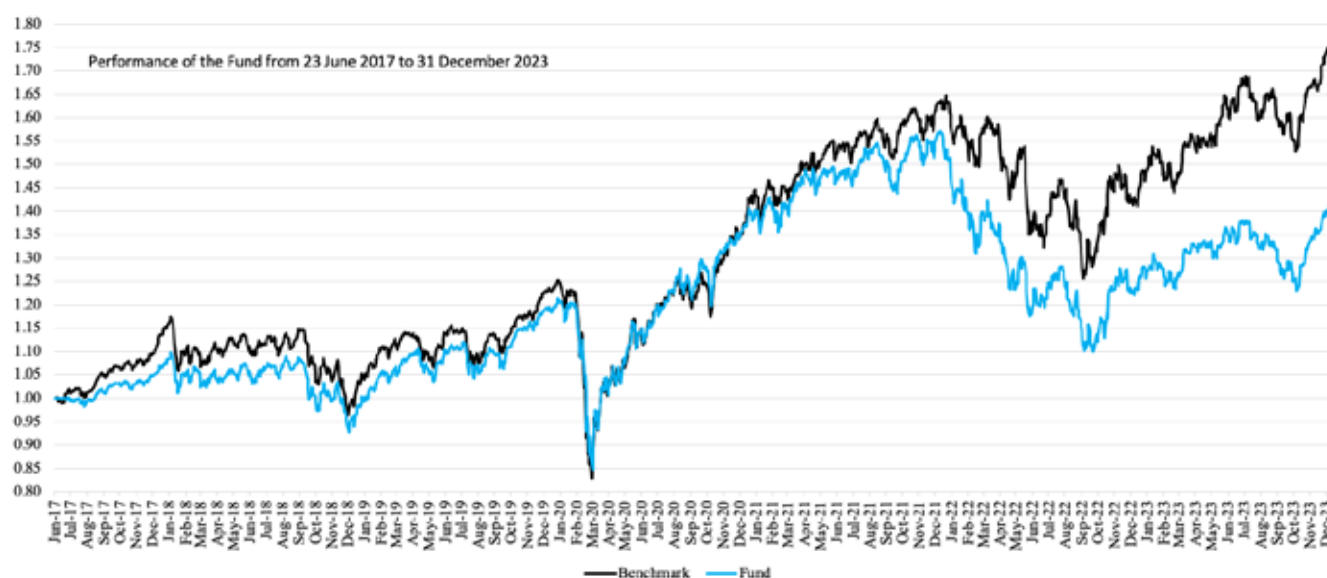
FUND PERFORMANCE

For fiscal H1-2024 ended December 29, 2023, Saturna Global Sustainable Fund climbed 3.44% compared with +6.85% for MSCI ACWI Islamic Index. It rose 41.25% since inception on June 23, 2017 compared with an increase of 74.65% for MSCI ACWI Islamic Index. For calendar 2023, the fund rose 14.81% compared with 22.55% for MSCI ACWI Islamic Index.

Health Care (+161 basis points relative contribution) and Communication Services (+72 bps) added to the outperformance in fiscal H1-2024 whereas Information Technology (-252 basis points relative underperformance) and Materials (-49 bps) detracted from the performance. It is worth noting that we do not have financial and energy holdings (-97 bps relative underperformance) in the fund primarily due to the ESG nature of the fund. The fund is overweight Health Care by 6.28% and Consumer Staples by 4.43% and is underweight Energy by 15.24% and Information Technology by 9.06%.

Among the stock holdings, Novo Nordisk, Qualcomm and Union Pacific Corp contributed to returns whereas Microsoft Corp, Genuine Parts and Astellas Pharma were among the detractors. We exited Stanley Black & Decker, Hikma Pharmaceutical and PepsiCo in fiscal H1-2023 and all positions now remain Shariah compliant.

The graph below compares the performance of the Fund against its benchmark return since inception.



Source : Bloomberg

Benchmark: MSCI ACWI Islamic Index. (US\$)

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

FINANCIAL PERFORMANCE

	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
Net Asset Value (USD)	48,467,741	48,356,225	61,867,391
Units in Circulation (units)	37,273,211	42,693,028	41,855,054
Net Asset Value / unit (USD)	1.3003	1.1326	1.4781
Highest NAV (USD)	1.3003	1.1796	1.4781
Lowest NAV (USD)	1.1316	1.0124	1.3533
Total Return			
Capital growth	3.44%	2.50%	6.30%
Income distribution	-	-	-
Final Distribution			
Gross Distribution/unit	-	-	-
Net Distribution/unit	-	-	-
Date of Distribution	-	-	-
Portfolio Composition			
Quoted Equity Securities	95.12%	87.57%	95.52%
Other Liquid Assets	4.88%	12.43%	4.48%
Total Expense Ratio	0.62%	0.59%	0.89%
Total Expense Ratio (excluding Performance Fee)	0.26%	0.29%	0.29%
Portfolio Turnover Ratio	0.07 times	0.09 times	0.04 times
Official Launching Date	23 June 2017	23 June 2017	23 June 2017

Total Expense Ratio

The total expense ratio for the financial period is 0.62%

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 USD45,600,777.72

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

Portfolio Turnover Ratio

The portfolio turnover ratio for the financial period is 0.07 times.

During the current financial period, the decrease in PTR is due to lower trading activities.

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 = USD2,959,323.40

total disposal for the financial period = USD3,763,616.55

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

ANNUAL TOTAL RETURNS FOR THE FINANCIAL YEARS ENDED 30 JUNE (in %)

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

	(1 July 2022 – 30 June 2023)	(1 July 2021 – 30 June 2022)	(1 July 2020 – 30 June 2021)	(1 July 2019 – 30 June 2020)	(1 July 2018 – 30 June 2019)
The Fund	13.76%	-18.78%	30.06%	3.09%	5.96%
MIWD Index	20.01%	-11.11%	35.77%	-1.34%	3.85%

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:

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

Average Total Return for the Following Year(s) Ended 31st December 2023:

Period	1 Year (1 January 2023 – 31 December 2023)	3 Years (1 January 2021 – 31 December 2023)	5 Years (1 January 2019 – 31 December 2023)	Since Inception (23 June 2017 – 31 December 2023)
The Fund	14.81%	0.75%	9.36%	7.47%
MIWD Index	22.55%	9.12%	15.02%	13.52%

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 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 fiscal H1-2024, the S&P 500 returned 8.0% and the MSCI All Country World Index grew 7.5%. For calendar 2023, S&P 500 spiked 26.3% and the MSCI All Country World Index rose 22.8%. The STOXX Europe 600 Index rose 6.0% in H1-2024 and returned 20.4% in calendar 2023.

Emerging markets were also up but significantly underperformed the SPTR and MSCI All Country World. In H1, the MSCI Emerging Markets index (NDUEEGF) was up only 4.7% and MSCI Asia Pacific (MXAP) +5.2%. For the calendar year, they were +9.8% and +11.9% respectively. This was mainly on account of weakness in the Chinese economy and its equities. Hence, the MSCI China index (MXCN) was -6.0% in H1 and -11.1% in calendar 2023. It is also worth noting that ex-Japan, whose equities still trade near decades-long highs, Asia Pacific markets (MXASJ) were only up by 3.0% in H1 and 6.2% during the calendar year.

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, now trading at its historical median P/E of 18.1x. Valuations are no longer cheap, compared to the past.

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

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

MARKET OUTLOOK AND INVESTMENT STRATEGY *(continued)*

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.

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.

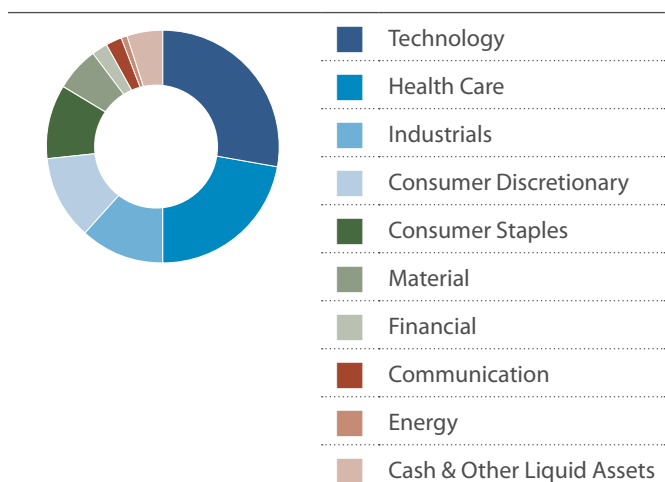
1. FUND MANAGER'S REPORT *(continued)*

ASSET ALLOCATION OF THE FUND

	31 December 2023	31 December 2022	31 December 2021
By Country	% of NAV	% of NAV	% of NAV
Cash & Other Liquid Assets	4.88	12.43	4.48
Canada	3.55	2.86	1.06
Denmark	4.06	5.28	4.18
France	9.13	7.52	7.84
Germany	9.64	6.34	6.26
Hong Kong	-	-	5.50
Indonesia	-	1.02	0.97
Japan	7.25	4.68	3.54
Netherlands	1.03	1.24	2.71
Spain	2.95	2.04	1.93
Sweden	2.14	1.79	1.99
Switzerland	3.04	3.24	3.46
United Kingdom	3.81	5.01	3.24
United States of America	48.52	46.55	52.84
	100.00	100.00	100.00

	31 December 2023	31 December 2022	31 December 2021
By Sector	% of NAV	% of NAV	% of NAV
Cash & Other Liquid Assets	4.88	12.43	4.48
Communication	2.18	2.48	2.84
Consumer Discretionary	11.66	13.14	17.91
Consumer Staples	10.25	9.63	10.97
Energy	0.74	1.20	0.99
Financial	2.29	1.94	1.86
Health Care	22.02	21.74	18.87
Industrials	11.72	10.13	10.82
Material	6.21	7.61	5.34
Technology	28.05	19.70	25.92
	100.00	100.00	100.00

Sector Allocation as at 31 December 2023



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

ASSET ALLOCATION OF THE FUND *(continued)*

Fund performance from 1 January 2023 to 31 December 2023

	31 December 23 USD	31 December 22 USD	% Change
Total NAV (Inclusive of Injection)	48,467,741	48,356,225	0.23
NAV/unit	1.3003	1.1326	14.81

NAV per unit at the end of 31 December 2023 rose by 14.81% compared with 31 December 2022 as investors reacted positively to global economic resilience, moderating inflation and possible interest rate cuts in 2024.

Top Five Investments as at 31 December 2023

Stock	Weight
Microsoft Corp	4.66%
Novo Nordisk	4.06%
L'Oreal	3.80%
Industria De Diseno Textil	2.95%
TJX Companies	2.86%

DETAILS OF DISTRIBUTION AND UNIT SPLIT

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

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 year under review.

CHANGES MADE TO THE PROSPECTUS OF THE FUND DURING THE FINANCIAL PERIOD

A replacement Prospectus for Saturna Global Sustainable Fund dated 25 September 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.

2. TRUSTEE'S REPORT

TO THE UNITHOLDERS OF SATURNA GLOBAL SUSTAINABLE FUND

We have acted as Trustee for **Saturna Global Sustainable Fund** ("the Fund") for the financial period 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

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 GLOBAL SUSTAINABLE FUND** at 31 December 2023 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 A. Salam
Director, Saturna Sdn Bhd



Dato' Dr. Lee Chee Kuon
Director, Saturna Sdn Bhd

22 February 2024

4. SHARIAH ADVISER'S REPORT

To the Unit Holders of Saturna Global Sustainable 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.

Thank you.

For **AMANIE ADVISORS SDN BHD**

TAN SRI DR MOHD DAUD BAKAR

Executive Chairman

Kuala Lumpur
22 February 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 31 December 2023 and of its financial performance, the changes in net asset value, and the cash flows of the Fund for the period ended.

		As at 31 December 2023	As at 30 June 2023
	Note	USD	USD
Investments			
Quoted Equity Securities	4	46,097,777	45,015,835
Short-term Shariah-based deposits	5	673,678	659,751
		46,771,455	45,675,586
Other Assets			
Amount due from stockbrokers		-	-
Amount due from management company		-	-
Amount due from Distributors		-	-
Cash at bank		1,928,740	1,851,818
Other receivable		20,210	26,724
		1,948,950	1,878,542
Total Assets		48,720,405	47,554,128
Liabilities			
Amount due to manager		270,566	678,130
Amount due to Unitholders Capital		-	-
Amount due to trustee		1,875	1,952
Current Tax Liability		(22,507)	12,197
Other payables and accruals		2,730	3,860
		252,664	696,139
Net asset value attributable to unit holders	6	48,467,741	46,857,989
Total equity and liabilities		48,720,405	47,554,128
Number of units in circulation	6	37,273,211	37,275,474
Net asset value per unit		1.3003	1.2571

6. UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

For the financial period ended 31 December 2023

	Note	1 July 2023 to 31 December 2023 USD	1 July 2022 to 31 December 2022 USD
Income			
Profit from short-term Shariah-based deposits		13,939	4,637
Gross Dividends Income		302,491	335,541
Gross Dividend income from non-permissible securities		-	1,596
Net loss on foreign exchange		(296,282)	(31,408)
Net gain/(loss) on financial assets at fair value through profit or loss	4	2,158,294	1,566,379
Net gain/(loss) from non-permissible securities	4	0	(106,122)
		2,178,442	1,770,623
Less: Expenses			
Administration fee	7	50,498	59,101
Distribution fee	7	50,498	59,101
Performance fee	7	161,126	145,259
Trustee's fee	8	11,270	11,820
Auditors' fee		1,392	1,479
Tax agent's fee		857	456
Other expenses		5,527	4,490
		281,168	281,706
Net profit/(loss) before taxation & purification			
		1,897,274	1,488,917
Purification		(159,884)	(142,518)
Net profit/(loss) before taxation & after purification		1,737,390	1,346,399
Taxation		(126,074)	(167,155)
Net profit/(loss) after taxation & purification		1,611,316	1,179,244
Net profit after taxation is made up as follows:			
Realised (loss)/income		(462,605)	(666,278)
Unrealised income /(loss), net		2,073,921	1,845,522

7. UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE

For the financial period ended 31 December 2023

	Unitholders' Capital USD	Retained Earnings USD	Total Net Asset Value USD
Net asset value as at 1 July 2022	43,494,763	3,657,632	47,152,395
Movement due to creation / (cancellation) of units during the period:			
Creation of units from applications	98,170	-	98,170
Cancellation of units	(73,584)	-	(73,584)
Total comprehensive Income for the financial period	-	1,179,244	1,179,244
Net asset value as at 31 December 2022	43,519,349	4,836,876	48,356,225
	Unitholders' Capital USD	Retained Earnings USD	Total Net Asset Value USD
Net asset value as at 1 July 2023	37,158,459	9,699,530	46,857,989
Movement due to creation / (cancellation) of units during the period:			
Creation of units from applications	48,785	-	48,785
Cancellation of units	(50,349)	-	(50,349)
Total comprehensive Income for the financial period	-	1,611,316	1,611,316
Net asset value as at 31 December 2023	37,156,895	11,310,846	48,467,741

8. UNAUDITED STATEMENT OF CASH FLOWS

For the financial period ended 31 December 2023

	1 July 2023 to 31 December 2023 USD	1 July 2022 to 31 December 2022 USD
Cash flows from/(for) operating and Investing activities		
Proceeds from sale of quoted investments	3,756,236	4,168,872
Purchase of quoted investments	(2,975,495)	(4,473,319)
Dividend received	239,202	270,044
Profit received from short-term Shariah-based deposits	13,927	4,592
Administration fee paid	(52,761)	(59,298)
Audit fee paid	(3,210)	(3,327)
Performance fee paid	(611,264)	-
Purification paid	(159,885)	(127,439)
Distribution fee paid	(5,661)	(61,501)
Trustee's fee paid	(11,347)	(11,860)
Tax Agent fee paid	(455)	-
Payment for other fees and expenses	(5,046)	(4,004)
Income Tax Paid	(91,828)	(5,982)
Net cash from/(for) operating and investing activities	92,413	(303,222)
Cash flows from financing activities		
Proceeds from issuance of units	48,785	83,092
Payments for cancellation of units	(50,349)	(73,584)
Net cash from financing activities	(1,564)	9,508
Net increase/(decrease) In cash and cash equivalents	90,849	(293,714)
Cash and cash equivalents at beginning of the period	2,511,569	6,549,077
Cash and cash equivalents at end of the financial period	2,602,418	6,255,363
Cash and cash equivalents comprise:		
Cash at bank	1,928,740	5,606,022
Short-term Shariah-based deposits	673,678	649,341
	2,602,418	6,255,363

9. NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Saturna Global Sustainable Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Trust Deed dated 7 March 2017 (hereinafter referred to as “the Deed”) between the Manager, Saturna Sdn Bhd and the Trustee, SCBMB Trustee Berhad.

The principal activity of the Fund is to invest in a diversified portfolio of Shariah-compliant equities across global markets. 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 23 June 2017 and will continue its operations until terminated by the Trustee as provided under Part 12 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 significant accounting policies, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”), 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/or 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.

Continued on next page.

9. NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

(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.

Continued on next page.

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

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.1 FINANCIAL INSTRUMENTS *(continued)*

(a) Financial Assets *(continued)*

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 Fund'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 (excluding interest expense) 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.

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

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 IMPAIRMENT

(a) 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 United States Dollar ("USD"), 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.

9. 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 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.

3.11 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 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.

Continued on next page.

9. NOTES TO THE FINANCIAL STATEMENTS (continued)

4. INVESTMENTS

	2023 USD	2022 USD
Quoted Equity Securities	46,097,777	42,346,981

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

	2023 USD	2022 USD
Net (loss)/gain on financial assets at FVTPL comprised: -		
Realised (loss)/gain on disposals	(175,964)	(385,264)
Unrealised changes in fair value	2,073,921	1,845,522
	1,897,957	1,460,258

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

2023	Quantity (Units)	Cost USD	Market Value USD	% of NAV
Canada				
Industrial				
Canadian Pacific Kansas City Ltd	2,884	77,076	228,009	0.47
Materials				
Barrick Gold Corp.	43,800	861,451	793,471	1.64
Technology				
CGI Group Inc	6,500	529,326	696,865	1.44
Denmark				
Health Care				
Novo Nordisk A/S - B	19,000	562,371	1,965,634	4.06
France				
Consumer Discretionary				
Kering	900	789,452	396,576	0.82
Consumer Staples				
L'Oreal	3,700	787,005	1,841,419	3.80
Health Care				
Essilor International SA	5,000	659,445	1,002,761	2.07
Industrial				
Schneider Electric	5,900	730,277	1,184,431	2.44
Germany				
Consumer Discretionary				
Adidas AG	3,400	619,579	691,490	1.43
Health Care				
Siemens Healthineers AG	13,000	699,255	755,163	1.56
Technology				
Infineon Technologies AG	31,100	697,197	1,298,266	2.68
Nemetschek	8,000	794,964	693,363	1.43
SAP SE	8,000	838,133	1,232,291	2.54
		2,330,294	3,223,920	6.65

Continued on next page.

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

4. INVESTMENTS *(continued)*

2023	Quantity (Units)	Cost USD	Market Value USD	% of NAV
Japan				
Consumer Staples				
Unicharm Corporation	16,800	595,677	607,680	1.25
Health Care				
Astellas Pharma	70,000	857,745	837,378	1.73
Technology				
Murata Manufacturing	36,000	635,135	764,495	1.58
Nintendo	25,000	1,049,434	1,305,343	2.69
		1,684,569	2,069,838	4.27
Netherlands				
Technology				
STMicroelectronics NV	10,000	227,248	499,669	1.03
Spain				
Consumer Discretionary				
Industria de Diseno Textil SA	32,800	1,197,005	1,428,276	2.95
Sweden				
Industrials				
Assa Abloy AB	35,800	741,202	1,038,765	2.14
Switzerland				
Consumer Staples				
Nestle SA	5,300	452,052	616,195	1.27
Health Care				
Novartis AG	8,500	595,884	860,135	1.77
United Kingdom				
Consumer Staples				
Unilever PLC	5,000	241,658	241,946	0.50
Health Care				
AstraZeneca PLC	6,200	865,591	836,878	1.73
Materials				
Rio Tinto PLC	10,300	661,040	766,237	1.58
United States of America				
Communication				
Alphabet, Class A	7,550	758,155	1,054,659	2.18
Consumer Discretionary				
Lowe's	2,500	271,199	556,375	1.15
Lululemon Athletica	700	319,377	357,903	0.74
Ross Stores	6,000	569,242	830,340	1.71
TJX Companies	14,800	521,576	1,388,388	2.86
		1,681,394	3,133,006	6.46

Continued on next page.

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

4. INVESTMENTS *(continued)*

2023	Quantity (Units)	Cost USD	Market Value USD	% of NAV
United States <i>(continued)</i>				
Consumer Staples				
Church & Dwight	8,000	410,909	756,480	1.56
Procter & Gamble	6,200	542,616	908,548	1.87
		953,525	1,665,028	3.43
Energy				
Enphase Energy	2,700	549,261	356,778	0.74
Financial				
Prologis Inc	8,312	541,107	1,107,990	2.29
Health Care				
Boston Scientific	14,000	640,879	809,340	1.67
Edwards Lifesciences	8,300	319,219	632,875	1.31
Eli Lilly	1,400	513,544	816,088	1.68
Johnson & Johnson	8,000	1,052,087	1,253,920	2.59
Stryker	3,000	779,516	898,380	1.85
		3,305,245	4,410,603	9.10
Industrials				
Johnson Control International	12,600	694,939	726,264	1.50
TE Connectivity	8,500	808,391	1,194,250	2.46
Union Pacific	5,350	1,075,359	1,314,067	2.71
		2,578,689	3,234,581	6.67
Material				
Corteva	10,900	544,830	522,328	1.08
PPG Industries	6,200	698,320	927,210	1.91
		1,243,150	1,449,538	2.99
Technology				
Adobe Inc	945	252,052	563,787	1.16
Broadcom Ltd	350	319,090	390,687	0.81
Cisco Systems	20,000	900,080	1,010,400	2.08
Juniper Networks	22,800	612,101	672,144	1.39
Microsoft	6,000	868,906	2,256,240	4.66
Qualcomm	8,000	472,768	1,157,040	2.39
Salesforce Inc.	4,000	569,243	1,052,560	2.17
		3,994,240	7,102,858	14.66
Total Quoted Equity Securities		32,369,968	46,097,777	95.12

Continued on next page.

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

4. INVESTMENTS *(continued)*

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

2022	Quantity (Units)	Cost USD	Market Value USD	% of NAV
Canada				
Industrial				
Canadian Pacific Railways Ltd	2,884	77,076	215,118	0.45
Materials				
Barrick Gold Corp.	30,000	597,536	514,748	1.07
Technology				
CGI Group Inc	7,500	610,761	645,975	1.34
Denmark				
Energy				
Vestas Wind System	20,000	805,823	582,345	1.20
Health Care				
Novo Nordisk A/S - B	11,500	680,765	1,554,121	3.21
Material				
Novozymes A/S - B	8,300	429,008	420,806	0.87
France				
Consumer Discretionary				
Kering	1,000	877,169	509,537	1.05
Consumer Staples				
L'Oreal	4,400	935,898	1,572,910	3.25
Health Care				
Essilor International SA	5,600	738,578	1,015,345	2.10
Industrial				
Schneider Electric	3,500	322,030	490,270	1.01
Technology				
Worldline SA *	1,400	120,816	54,803	0.11
Germany				
Consumer Discretionary				
Adidas AG	3,800	692,471	519,019	1.07
Health Care				
Siemens Healthineers AG	9,000	479,307	450,675	0.93
Technology				
Infineon Technologies AG	35,000	784,626	1,066,277	2.21
Nemetschek	2,000	263,168	102,207	0.21
SAP SE	9,000	942,900	929,608	1.92
		1,990,694	2,098,092	4.34
Indonesia				
Communication				
Telekomunikasi Indonesia ADS	20,600	714,578	491,310	1.02

Continued on next page.

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

4. INVESTMENTS *(continued)*

2022	Quantity (Units)	Cost USD	Market Value USD	% of NAV
Japan				
Consumer Staples				
Unicharm Corporation	12,500	430,314	483,330	1.00
Health Care				
Astellas Pharma	59,100	724,620	904,739	1.87
Material				
Kansai Paint Co., Ltd	31,600	745,829	390,329	0.81
Technology				
Nintendo	11,500	466,066	485,374	1.00
Netherlands				
Material				
Akzo Nobel NV *	3,644	334,411	244,287	0.51
Technology				
STMicroelectronics NV	10,000	227,248	353,568	0.73
Spain				
Consumer Discretionary				
Industria de Diseno Textil SA	37,000	1,350,281	985,266	2.04
Sweden				
Industrials				
Assa Abloy AB	40,300	834,370	866,829	1.79
Switzerland				
Consumer Staples				
Nestle SA	6,000	511,757	698,435	1.44
Health Care				
Novartis AG	9,600	709,750	871,864	1.80
United Kingdom				
Consumer Staples				
Reckitt Benckiser Group PLC	3,500	287,797	244,080	0.50
Health Care				
AstraZeneca PLC	7,000	977,280	951,715	1.97
Materials				
Rio Tinto plc	11,600	744,472	815,135	1.69
Technology				
AVEVA Group PLC	10,500	501,534	408,878	0.85

Continued on next page.

9. NOTES TO THE FINANCIAL STATEMENTS (continued)

4. INVESTMENTS (continued)

2022	Quantity (Units)	Cost USD	Market Value USD	% of NAV
United States of America				
Communication				
Alphabet, Class A	8000	803,342	705,840	1.46
Consumer Discretionary				
Genuine Parts	8,600	723,416	1,492,186	3.09
Lowe's	2,500	271,199	498,100	1.03
Ross Stores	6,000	569,242	696,420	1.44
TJX Companies	20,800	733,026	1,655,680	3.42
		2,296,883	4,342,386	8.98
Consumer Staples				
Church & Dwight	9,000	462,273	725,490	1.50
Procter & Gamble	6,200	542,616	939,672	1.94
		1,004,889	1,665,162	3.44
Financial				
Prologis Inc	8,312	541,107	937,012	1.94
Health Care				
Edwards Lifesciences	8,300	319,219	619,263	1.28
Eli Lilly	1,400	513,544	512,176	1.06
Johnson & Johnson	9,000	1,183,597	1,589,850	3.29
Pfizer	24,000	771,706	1,229,760	2.54
Stryker	3,350	870,460	819,042	1.69
		3,658,526	4,770,091	9.86
Industrials				
Johnson Control International	9,000	448,680	576,000	1.19
TE Connectivity	8,500	808,391	975,800	2.02
Trimble	10,500	389,552	530,880	1.10
Union Pacific	6,000	1,206,010	1,242,420	2.57
		2,852,633	3,325,100	6.88
Material				
Corteva	6,900	292,161	405,582	0.84
PPG Industries	7,000	788,426	880,180	1.82
		1,080,587	1,285,762	2.66
Technology				
Adobe Inc	1,000	266,722	336,530	0.70
Cisco Systems	20,000	900,080	952,800	1.97
Intel Corporation	30,000	1,389,648	792,900	1.64
Juniper Networks	15,000	360,161	479,400	0.99
Microsoft	6,000	868,906	1,438,920	2.98
Qualcomm	8,000	472,768	879,520	1.82
Salesforce.com	4,500	640,399	596,655	1.23
		4,898,684	5,476,725	11.33
Total Quoted Equity Securities		36,054,890	42,346,981	87.57

* These securities are Qualified Compliant¹ as of 31 December 2022.

¹ "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.

Continued on next page.

9. NOTES TO THE FINANCIAL STATEMENTS (continued)

5. SHORT-TERM SHARIAH-BASED DEPOSITS

Short-term Shariah-based deposits bore a weighted average effective profit rate of 4.25% (2022 – 2.80%) per annum at the end of the previous reporting period. The short-term Shariah-based deposits had maturity periods ranging from 33 days (2022 – 32 days).

6. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

	2023 USD	2022 USD
Unitholders' contribution	37,156,895	43,519,349
Retained earnings		
Realised reserve	(2,416,963)	(353,240)
Unrealised reserve	13,727,809	5,190,116
	48,467,741	48,356,225

Unitholders' Contribution

	2023		2022	
	Number of Units	USD	Number of Units	USD
At beginning of the financial period	37,275,474	37,158,459	42,670,685	43,494,763
Creation of units	38,737	48,785	86,535	98,170
Cancellation of units	(41,000)	(50,349)	(64,192)	(73,584)
At end of the financial period	37,273,211	37,156,895	42,693,028	43,519,349

7. MANAGER'S FEE

The Manager is entitled to receive an administrative fee of 0.20% 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 0.20% 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 RELATED PARTIES

	2023		2022	
	No. Of Units	USD	No. Of Units	USD
Manager	24,532	31,900	-	-
Employees of the Manager	1,114	1,448	1,110	1,257
Directors of the Manager	20,427	26,562	20,357	23,057
Holding Company of the Manager	1,101,217	1,431,954	1,097,422	1,242,995
	1,147,290	1,491,864	1,117,779	1,266,052

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 10th May 2023.

Continued on next page.

9. NOTES TO THE FINANCIAL STATEMENTS (continued)

10. TRANSACTIONS WITH BROKERS

Details of transactions with brokers for the financial period from 1 July 2023 to 31 December 2023 are as follows: -

2023	Value of Trade USD	Percentage of Total Trade %	Brokerage Fees USD	Percentage of Total Brokerage Fees %
GTN Asia Financial Services (Pte) Ltd	3,784,572	56.30	2,477	89.55
Saturna Brokerage Services *	2,937,000	43.70	289	10.45
	6,721,572	100.00	2,766	100.00

Details of transactions with brokers for the financial period from 1 July 2022 to 31 December 2022 are as follows:-

2022	Value of Trade USD	Percentage of Total Trade %	Brokerage Fees USD	Percentage of Total Brokerage Fees %
GTN Asia Financial Services (Pte) Ltd	465,740	5.40	326	14.60
GTN Middle East Financial	2,898,231	33.60	1,546	69.27
Saturna Brokerage Services *	5,262,588	61.00	360	16.13
	8,626,559	100.00	2,232	100.00

* A broker related to the Manager.

The directors of the Manager are of the opinion that any transactions with related party (broker) has been entered into in the normal course of business and has been established under terms and conditions that are no less favourable than those obtainable in transactions with unrelated parties. These dealings with related party has been transacted at arm's length basis.

11. TOTAL EXPENSE RATIO

The total expense ratio for the financial period is 0.62%

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 period calculated on a daily basis is USD45,600,777.72

12. PORTFOLIO TURNOVER RATIO

The portfolio turnover ratio for the financial period is 0.07 times.

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 = USD2,959,323.40

total disposal for the financial period = USD3,763,616.55

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 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 USD	Financial Asset At Amortized Cost USD	Financial Liabilities at Amortized Cost USD	Total USD
2023				
Assets				
Quoted Equity Securities	46,097,777	-	-	46,097,777
Sundry receivables	-	20,210	-	20,210
Short-term Shariah-based deposits	-	673,678	-	673,678
Cash at bank	-	1,928,740	-	1,928,740
Total financial assets	46,097,777	2,622,628	-	48,720,405
Liabilities				
Other payables and accruals	-	-	2,730	2,730
Amount owing to Manager	-	-	270,566	270,566
Amount owing to Trustee	-	-	1,875	1,875
Total financial liabilities	-	-	275,171	275,171

	Financial Asset at FVTPL USD	Financial Asset At Amortized Cost USD	Financial Liabilities at Amortized Cost USD	Total USD
2022				
Assets				
Quoted Equity Securities	42,346,981	-	-	42,346,981
Sundry receivables	-	22,757	-	22,757
Short-term Shariah-based deposits	-	649,341	-	649,341
Cash at bank	-	5,606,022	-	5,606,022
Total financial assets	42,346,981	6,278,120	-	48,625,101
Liabilities				
Other payables and accruals	-	-	2,844	2,844
Amount owing to Manager	-	-	184,343	184,343
Amount owing to Trustee	-	-	2,014	2,014
Total financial liabilities	-	-	189,201	189,201

	2023	2022
	Income, expense, gains, and losses USD	Income, expense, gains, and losses USD
Net gains / (losses) from financial assets at FVTPL	2,073,921	1,845,522
Profit income derived from amortised cost	13,939	4,637

Continued on next page.

9. NOTES TO THE FINANCIAL STATEMENTS (continued)

13. FINANCIAL INSTRUMENTS (continued)

(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		
2023	USD	USD	USD	USD	USD
Financial Asset					
Quoted Equity Securities	46,097,777	-	-	46,097,777	46,097,777
2022					
Financial Asset					
Quoted Equity Securities	42,346,981	-	-	42,346,981	42,346,981

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.

(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 Global 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 global portfolio of Sustainable Shariah-compliant equities. Asset allocation decisions are continuously made and reviewed based upon global economies and financial trends.

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 multiples.

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

Continued on next page.

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

14. FINANCIAL RISK MANAGEMENT POLICIES *(continued)*

(b) Risk Management Structure *(continued)*

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.

(iii) Currency Risk

The Fund is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than United States Dollar. The currencies giving rise to this risk are primarily Euro ("EUR"), Great Britain Pound ("GBP"), Swiss Franc ("CHF"), Swedish Krona ("SEK"), Japanese Yen ("JPY"), Danish Krone ("DKK"), and Canada ("CAD"). 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 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 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 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.

Continued on next page.

9. NOTES TO THE FINANCIAL STATEMENTS (continued)

14. FINANCIAL RISK MANAGEMENT POLICIES (continued)

(c) Market Risk (continued)

(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 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.

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 USD	3 months – 1 year USD	Total USD
Financial assets:-			
Quoted Equity Securities	46,097,777	-	46,097,777
Short-term Shariah-based deposits	673,678	-	673,678
Cash at bank	1,928,740	-	1,928,740
Other assets	20,210	-	20,210
Total financial assets	48,720,405	-	48,720,405
Financial liability: -			
Other liabilities	275,171	-	275,171
Total net financial assets	48,445,234	-	48,445,234

2022	Less than 3 months USD	3 months – 1 year USD	Total USD
Financial assets:-			
Quoted Equity Securities	42,346,981	-	42,346,981
Short-term Shariah-based deposits	649,341	-	649,341
Cash at bank	5,606,022	-	5,606,022
Other assets	22,757	-	22,757
Total financial assets	48,625,101	-	48,625,101
Financial liability: -			
Other liabilities	189,201	-	189,201
Total net financial assets	48,435,900	-	48,435,900

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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: 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

The Trustee

SCBMB Trustee Berhad 201201021301 (1005793-T)

Shariah Advisor

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 Global Sustainable Fund dated 25 September 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	Fund name ICD Global Sustainable Fund	Fund name Saturna Global Sustainable Fund (formerly known as ICD Global Sustainable Fund)
2	Cover page Advisor to the Manager: Islamic Corporation for the Development of the Private Sector.	(Deleted)
3	Latest practicable date 20 January 2017.	Latest practicable date 31 December 2022.
4	Eligible Markets 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.	Eligible Market(s) An exchange, government securities market or an over-the-counter (OTC) market: (a) that is regulated by a regulatory authority of that jurisdiction; (b) that is open to the public or to a substantial number of market participants; and (c) on which financial instruments are regularly traded.
5	Sustainable Investing The Manager considers issuers with Sustainable characteristics to be issuers that generally have larger market capitalisation, are consistently profitable, financially strong and with low exposure to risks in the areas of ESG. 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. The main characteristics of the Sustainable rating system (scale of A to F) are: Environmental: <ul style="list-style-type: none"> Resource Efficiency (energy, water, inputs, waste productivity) Disclosures and Transparency Social: <ul style="list-style-type: none"> Business Ethics and Products Stakeholder Relations (employees, investors, community) Governance: <ul style="list-style-type: none"> Board Effectiveness Conflicts assessments, including compensation Balance Sheet and Business Experience	Sustainable Investing The Manager employs Saturna Capital Corporation's ESG rating system to identify issuers that the Manager believes present low ESG risks. ESG screening analyses the ESG metrics of listed companies, whereby the data of ESG metrics is consolidated within our internal system. Proprietary to Saturna, the ESG rating system conceptually assigned the top of ESG scores a rating of A and the lowest scores a rating of F. The Fund will not invest in companies with an ESG rating below B. For Sustainable investing, the Manager considers issuers with the following Sustainable characteristics: <ul style="list-style-type: none"> generally have larger market capitalisation - companies with market capitalisation of at least US\$5 billion; consistently profitable - companies which have a track record of positive net profits; financially strong - companies which have a track record of generating positive cash flows; and 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. The main characteristics of the ESG rating system are: Environmental: <ul style="list-style-type: none"> Resource Efficiency (energy, water, inputs, waste productivity) Disclosures and Transparency Social: <ul style="list-style-type: none"> Business Ethics and Products Stakeholder Relations (employees, investors, community) Governance: <ul style="list-style-type: none"> Board Effectiveness Conflicts assessments, including compensation Balance Sheet and Business Experience <ul style="list-style-type: none"> Strong balance sheets Proven businesses and high quality operations

Appendix I

No.	Previous	Current
6	Temporary Defensive Positions 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.	Temporary Defensive Positions 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.
7	Investment Process a) Saturna screens over 20,000 global equities monthly to assign rankings on Shariah compliance. b) The Fund's investments are limited to Eligible Markets where the regulatory authority is an ordinary member of the International Organization of Securities Commissions (IOSCO). When investing in foreign markets. c) 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. d) 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: <ul style="list-style-type: none"> • 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. • 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. 	Investment Process a) Saturna screens over 5,000 global equities monthly to assign rankings on Shariah compliance. b) The Fund's investments are limited to Eligible Markets. When investing in foreign markets. c) The sustainability aspects of the Fund's portfolio will be reviewed annually by the Manager 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. d) 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.
8	Specific Risks (no liquidity risk)	Specific Risks <i>Liquidity Risk</i> 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.
9	Risk Management Strategies The risk management strategies adopted by the Manager are as follows: <ul style="list-style-type: none"> • monitoring adherence to the Fund's investment objective, investment restrictions and limits; • conduct regular monitoring of market and economic conditions; • escalating and reporting investment matters to the investment committee, senior management team, risk committee, Shariah Advisor and Board; • taking temporary defensive positions when appropriate; and monitoring the performance of the Fund. 	Risk Management Strategies The risk management strategies adopted by the Manager are as follows: <ul style="list-style-type: none"> • monitoring adherence to the Fund's investment objective, investment restrictions and limits; • conduct regular monitoring of market and economic conditions; • 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 Advisor and the Board; • taking temporary defensive positions when appropriate; • advising Investors to provide written notice in advance if they plan to make any large redemptions; and • monitoring the performance of the Fund.

Appendix I

No.	Previous	Current
10	<p>Investments Restrictions and Limits</p> <p>a) The value of the Fund's investments in unlisted Shariah-compliant securities must not exceed 10% of the Fund's NAV.</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 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>Investments Restrictions and Limits</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> <p>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</p> <p>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.</p> <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 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>
11	(None)	<p>Zakat for the Fund</p> <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>

Appendix I

No.	Previous	Current
12	<p>Fund Expenses</p> <p>a) Costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;</p> <p>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;</p> <p>c) Remuneration and out of pocket expenses of the independent members of the investment committee of the Fund, unless the Manager decides otherwise;</p> <p>d) Any tax such as GST and/or other indirect or similar tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred above.</p>	<p>Fund Expenses</p> <p>a) Costs, commissions, fees and expenses of the sale, purchase, takaful and any other dealing of any asset of the Fund;</p> <p>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;</p> <p>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;</p> <p>d) Any tax and/or other indirect or similar tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred above.</p>
13	<p>Error in Pricing of Units</p> <p>The Manager retains discretion in whether or not to reimburse if the error is below 0.5% of the NAV per Unit or where the total impact on an individual account is less than MYR10.00 or its foreign currency equivalent, if applicable. This is because the reprocessing costs might be greater than the amount of the reimbursement.</p>	<p>Error in Pricing of Units</p> <p>The Manager retains discretion in whether or not to reimburse if the error is below 0.5% of the NAV per Unit or where the total impact on an individual account is less than MYR10.00 or in the case of a foreign currency class of Units (if any), less than 10.00 denominated in the foreign currency denomination of the class of Units. This is because the reprocessing costs might be greater than the amount of the reimbursement.</p>
14	<p>Redemption of Units</p> <p>Redemption proceeds will be paid within three (3) Business Days from the date the Manager receives a complete redemption request form.</p>	<p>Redemption of Units</p> <p>Redemption proceeds will be paid within seven (7) Business Days from the date the Manager receives a complete redemption request form.</p>
15	<p>Cooling-off Policy</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"> • The price of the Units on the day the Units were purchased; and • Any sales charge imposed on the day the Units were purchased. <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>Cooling-off Policy</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"> • 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 • if the market price is higher than the original price, the original price at the point of cooling-off; and • any sales charge imposed on the day the Units were purchased. <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>
16	<p>Policy on Stockbroking, Rebates and Soft Commissions</p> <p>However, soft commissions may be retained by the Manager or the fund manager if:</p> <ul style="list-style-type: none"> i) the goods and services are of demonstrable benefit to Unit Holders and in the form of research and advisory services that assist in the decision making process relating to the investments of the Fund such as research material, data and quotation services and investment management tools; and ii) any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund. 	<p>Policy on Stockbroking, Rebates and Soft Commissions</p> <p>However, soft commissions may be retained by the Manager or the fund manager if:</p> <ul style="list-style-type: none"> (i) the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services; (ii) any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and (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.

Appendix I

No.	Previous	Current																
17	Distribution Plan <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 US\$2 million</td><td>0.25% of the NAV in the Fund</td></tr><tr><td>More than US\$2 million but less than US\$5 million</td><td>0.30% of the NAV in the Fund</td></tr><tr><td>US\$5 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 US\$2 million	0.25% of the NAV in the Fund	More than US\$2 million but less than US\$5 million	0.30% of the NAV in the Fund	US\$5 million or greater	0.35% of the NAV in the Fund	Distribution Plan <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 US\$2 million, plus,</td><td>0.20% of the NAV in the Fund</td></tr><tr><td>On the next US\$3 million, plus,</td><td>0.25% of the NAV in the Fund</td></tr><tr><td>On all amounts over US\$5 million.</td><td>0.30% of the NAV in the Fund</td></tr></table>	Assets in a Distributor's serviced accounts	Fee paid by Manager	On the first US\$2 million, plus,	0.20% of the NAV in the Fund	On the next US\$3 million, plus,	0.25% of the NAV in the Fund	On all amounts over US\$5 million.	0.30% of the NAV in the Fund
Assets in a Distributor's serviced accounts	Fee paid by Manager																	
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On the next US\$3 million, plus,	0.25% of the NAV in the Fund																	
On all amounts over US\$5 million.	0.30% of the NAV in the Fund																	
18	Background Information of the Manager <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 advises the public ASEAN Equity Fund, Crescent International Equity Fund (Australia) and private client accounts with a total value exceeding MYR 413 million, as at LPD.</p> <p>b) <i>Board of Directors:</i></p> <ul style="list-style-type: none">Nicholas Kaiser (non-independent)Dato' Dr. Lee Chee Kuon (non-independent)Md Noor Bin Hj A.Rahman (independent)Dato' Dr. Vaseehar Hassan Bin Abdul Razack (independent)Monem Salam (non-independent) <p>c) <i>The Investment Committee:</i></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>	Background Information of the Manager <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 MYR1.46 billion, as at LPD.</p> <p>b) <i>Board of Directors:</i></p> <p>The list of board of directors are available on our website, www.saturna.com.my.</p> <p>c) (deleted)</p>																
19	The Advisor to the Manager <p>The Advisor to the Manager, The Islamic Corporation for the Development of the Private Sector ("ICD") is a multilateral development financial institution and a member of the Islamic Development Bank Group ("IDBG").</p>	(deleted)																
20	The Shariah Advisor <p>a) <i>Profile of the Shariah Team</i></p> <p>The designated person responsible for Shariah advisory matters relating to the Fund is Datuk Dr. Mohd Daud Bakar. Other consultants are Mohd Zikri Mohd Shairy, Amran Ibrahim and Nur Izzaatirah Rosli.</p> <p>b) <i>Other Information</i></p> <p>Further information on the Shariah Adviser is provided on our website, www.saturna.com.my.</p>	The Shariah Advisor <p>a) <i>Profile of the Shariah Team</i></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 Nurain Mohd Zarir.</p> <p>b) <i>Other Information</i></p> <p>Further information on the Shariah Adviser is provided on our website, www.saturna.com.my or Shariah Adviser's website at www.amanieadvisors.com.</p>																

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No.	Previous	Current
21	<p>Trustee</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>STB has been registered and approved by the SC on 18 February 2013 to act as trustee for unit trust schemes approved or authorized under the Capital Markets and Services Act 2007. STB has suitably qualified and experienced staff in the administration of unit trust funds who have sound knowledge of all relevant laws. STB is the appointed trustee for six (6) wholesale funds, one (1) unit trust fund and appointed custodian for eight (8) private mandate funds.</p>	<p>Trustee</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> <p>STB has been registered and approved by the SC on 18 February 2013 to act as trustee for unit trust schemes approved or authorised under the CMSA. STB has suitably qualified and experienced staff in the administration of unit trust funds who have sound knowledge of all relevant laws. As at LPD, STB is the appointed trustee for 17 wholesale funds, 13 unit trust funds and appointed custodian for 8 private mandate funds.</p>
22	<p>Termination of The Fund</p> <p>The Fund may be terminated or wound up should the following events occur:</p> <ul style="list-style-type: none"> The SC has withdrawn the authorization of the Fund pursuant to section 256E of the Act; 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 A special resolution is passed at a meeting of Unit Holders to terminate or wind up the Fund. 	<p>Termination of The Fund</p> <p>The Fund may be terminated or wound up should the following events occur:</p> <ul style="list-style-type: none"> The SC has withdrawn the authorization of the Fund pursuant to section 256E of the Act; 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 A special resolution is passed at a meeting of Unit Holders to terminate or wind up the Fund. <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> <ol style="list-style-type: none"> is required by the relevant authorities; or 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.
23	<p>Power to Call for A Meeting</p> <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>	<p>Power to Call for A Meeting</p> <p>The quorum required for a meeting of the Unit Holders of the Fund or a class of Units, as the case may be, shall be five (5) Unit Holders, whether present in person or by proxy, however, if the Fund or a class of Units, as the case may be, has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund or a class of Units, as the case may be, 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 of the Fund or a particular class of Units, as the case may be, at the time of the meeting.</p> <p>If the Fund or a Class of Units, as the case may be, 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 of the Fund or a class of Units, as the case may be.</p>

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No.	Previous	Current
24	Deed The deed of the Fund is dated 7 March 2017.	Deed The deed of the Fund is dated 7 March 2017 as amended by the first supplemental deed dated 26 January 2023.
25	Distributors <i>Advisor to the Manager</i> Islamic Corporation for the Development of the Private Sector P.O. Box 54069 Jeddah 21514 Kingdom of Saudi Arabia Tel: 966 (12) 646-8174 Fax: 966 (12) 644-4427 Website: www.icd-ps.org	Distributors (Deleted)