



SATURNA GLOBAL SUSTAINABLE FUND

FUND FACTS

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

ECONOMIC OUTLOOK

The third quarter of 2023 was a volatile period. Markets moved up in July, then more than gave up the gains thereafter. The S&P 500 rose 3.21% in July but then declined over the following two months, ending the quarter down -3.27%. The MSCI All Country World followed a near identical pattern before finishing the quarter at -3.30%.

The STOXX Europe 600 Index broadly followed the ebbs and flows of the US market before closing the quarter down -2.03%. The European Central Bank (ECB) raised its key deposit rate by another 25 basis points (bps) in July, and a statement from ECB President Lagarde that policy tightening could end soon boosted market sentiment. However, markets fell after the release of contractionary (below 50) Purchasing Managers' Index readings for the manufacturing industry in August and September, which pointed to a soft economic outlook. Weak China macro and high oil prices also weighed on investor sentiment even as the ECB indicated that interest rates, having reached their highest level since the launch of the euro in 1999, would remain elevated for a while.

Emerging markets were also soft in the third quarter. MSCI Emerging Markets Index was down -2.85% and MSCI Asia Pacific Index was down -2.66%. MSCI Asia Pacific ex-Japan Index was down -3.27%. The key drivers of weak performance, in addition to soft developed markets, were weaker than expected growth in China driven by softening demand and continuing weakness in its real estate sector. Ongoing trade and security tensions between the United States and China did not help. Southeast Asia was also weak but managed to outperform other emerging market indices during the quarter with the MSCI ASEAN Index falling -1.35%.

Given relatively weak markets in the third quarter, global valuations reverted to more reasonable levels. At quarter-end, the S&P 500 traded at 19.6x price/earnings (P/E), slightly below its five-year median, while the MSCI All Country World Index traded at 16.9x P/E, also below its five-year median of 17.1x.

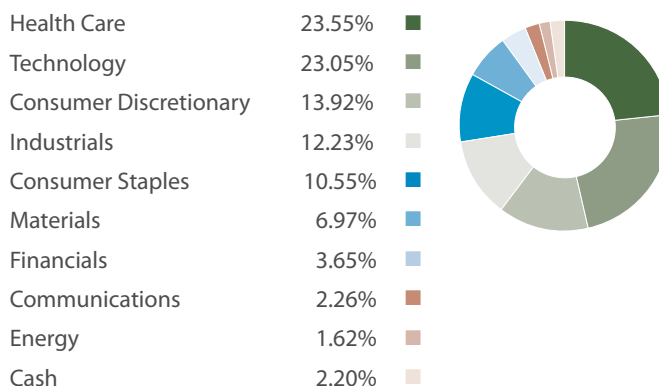
In closing, we believe that the medium- to long-term market outlook is positive, although stock prices could remain volatile for the short term. We also believe that this fits well with Saturna's bottom-up investing approach, which is focused on finding fundamentally solid and reasonably priced equities with secular growth drivers. Additionally, Saturna has a sustainability and *Shariah*-focus, which prioritizes companies with low debt and a penchant for doing right for their stakeholders. These characteristics should enhance portfolio resilience under most market conditions and over different investment horizons.

AVERAGE ANNUAL TOTAL RETURNS¹ (as at 30 Sep 2023)

	Since Inception	1 Month	1 Year	3 Year	5 Year	YTD
Fund	3.98%	-5.50%	15.39%	1.00%	3.49%	3.79%
Benchmark	7.71%	-2.99%	26.07%	9.36%	6.84%	11.76%

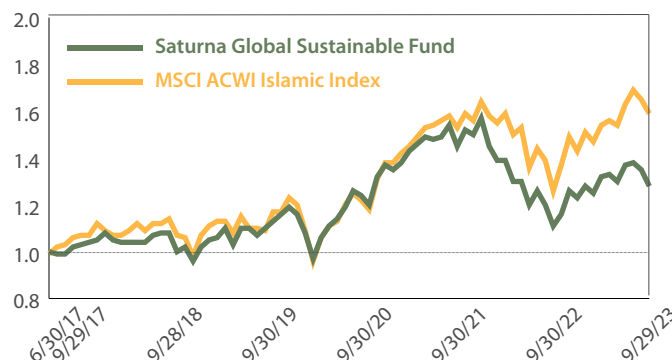
Source: Bloomberg, Saturna Sdn Bhd

SECTOR ALLOCATION



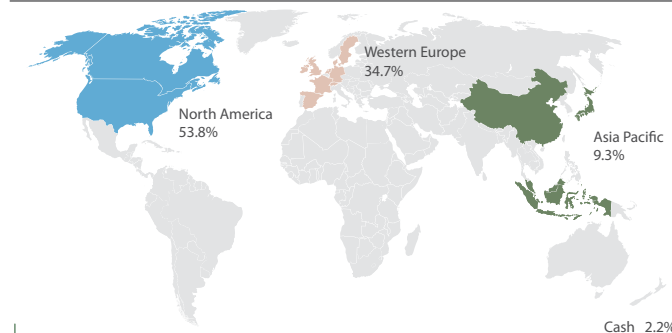
Source: Saturna Sdn Bhd Sector weightings are shown as a percentage of Fund assets.

COMPARATIVE PERFORMANCE



Source: Bloomberg

GEOGRAPHIC EXPOSURE



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

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¹ Including Dividends
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TOP 10 HOLDINGS

Microsoft	4.33%
Novo Nordisk A/S - B	3.97%
TJX Companies	3.61%
L'Oreal	3.51%
Johnson & Johnson	2.85%
Industria de Diseno Textil	2.80%
Union Pacific	2.49%
Genuine Parts	2.47%
Cisco Systems	2.46%
TE Connectivity	2.40%
Nintendo	2.38%

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

INVESTMENT STRATEGY

To achieve its objective, the Fund invests in a diversified global portfolio of sustainable *Shariah*-compliant equities. At least 70% of the Fund's NAV will be invested in sustainable *Shariah*-compliant equities, and up to 30% of the Fund's NAV will be invested in Islamic liquid assets including Islamic money market instruments, Islamic deposits with Islamic financial institutions, and collective investment schemes including ICD Money Market Fund. Asset allocation decisions are continuously made and reviewed based upon global economic and financial trends.

Company investment decisions are primarily made based on value with potential for reasonable and sustainable growth. The Manager analyses economic growth rates, interest rates, inflation, currencies, and government policies. Stock selection criteria include improving fundamentals, dividends, and solid growth potential at reasonable valuations. Stock valuation fundamentals considered are sales growth, profit margin, cash generation, earnings per share, return on equity, price-to-earnings ratio, and net tangible asset multiples.

The Fund's investments comply with the *Shariah* requirements of the *Shariah* Advisory Council of the SC for Malaysian securities as well as the AAOIFI *Shariah* standards for all other foreign securities.

CONTACT DETAILS

Manager

Saturna Sdn Bhd

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Disclaimer: Investors are advised to read and understand the contents of the Fund's prospectus (dated 25 September 2023 for Saturna Global Sustainable Fund) and its Product Highlights Sheet, obtainable at our offices and our website, before investing. The prospectus has been registered with the Securities Commission Malaysia which takes no responsibility for its contents. Investors should also consider the fees and charges involved. The price of units and investment returns may go down as well as up. Past performances of the Fund are not an indication of the Fund's future performances. Units will only be issued upon receipt of the application from accompanying the prospectus. There are risks involved with investing in unit trust funds. Some of these risks associated with investments in unit trust funds are market risk, non-compliance risk, performance risk, equity securities risk, operational risk, price level risk, large and mid-size company risk, concentration risk, country risk, political risk, currency risk, active investment risk, and reclassification of *Shariah* status risk. For further details on the risk profile of the Fund, please refer to the Risk Factors section in the prospectus.

TARGET INVESTORS

The Fund is suitable for investors who are looking for:

- A global *Shariah*-compliant equity portfolio
- Capital appreciation and income
- Diversification and exposure to the global equity markets
- A long-term investment outlook
- Ringgit hedge

SUMMARY OF KEY TERMS

Fund Size (30-SEP-2023)	USD 43.83 million
Minimum Investment	USD 5,000
Minimum Increment	USD 1,000
Type of Product	Open-ended (Unit Trust Fund)
Fund Category	<i>Shariah</i> -Compliant Equity
Fund Type	Growth and Income
Term	Daily Liquidity
Target Region	Global
Manager	Saturna Sdn Bhd
Trustee	SCBMB Trustee Berhad
Shariah Advisor	Amanie Advisors Sdn Bhd
Auditor	Crowe Malaysia PLT
Tax Agent	Crowe KL Tax Sdn Bhd
Administration Fee	Up to 0.25% per annum of the NAV of the Fund
Distribution Fee	Up to 0.25% per annum of the NAV of the Fund (on a reimbursement basis)
Trustee Fee	0.05% per annum of the NAV of the Fund
Performance Fee	10% of the change in gross asset value that cumulatively increases or decreases, excluding subscriptions and redemptions, for each day in the financial year
No Direct Fees or Charges	No charges for Sales, Redemption, Transfer, or Switching

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