



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

Markets were generally very strong in the fourth quarter of 2023. The S&P 500 Index overcame a weak October and returned 11.69% by year-end, while the MSCI All Country World Index rose 11.14%.

Close behind the S&P 500, the STOXX Europe 600 Index ended the fourth quarter up 11.67% in US dollar terms. Initial market weakness, due to a deepening economic downturn in the eurozone, was more than offset by inflation in November. This inflation was much weaker than expected and raised hopes for an easing of interest rates in early 2024. Although the eurozone economy hardly grew year-to-date, it seems to have avoided a technical recession (for now), which also boosted market sentiment.

Excluding China, emerging markets were strong in the fourth quarter. The MSCI Emerging Markets Index rose 7.85% and the MSCI Asia Pacific Index gained 7.96%. The MSCI Asia Pacific ex-Japan Index was up 6.38%. The MSCI China Index fell -4.24%, which was unsurprising, as China's markets were driven by turmoil in the property market, deflation, leverage issues, and weak post-COVID consumption uptake.

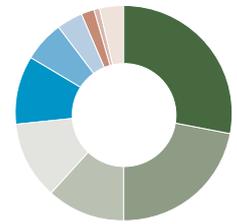
Reflecting the strong market performance in 2023 and elevated investor optimism, the S&P 500's price-to-earnings ratio re-rated to 21.8x, above its five-year median of 20x. The MSCI All Country World Index recorded a P/E of 18.4x, above its five-year median of 17.2x. While it could be argued that a key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

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.

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

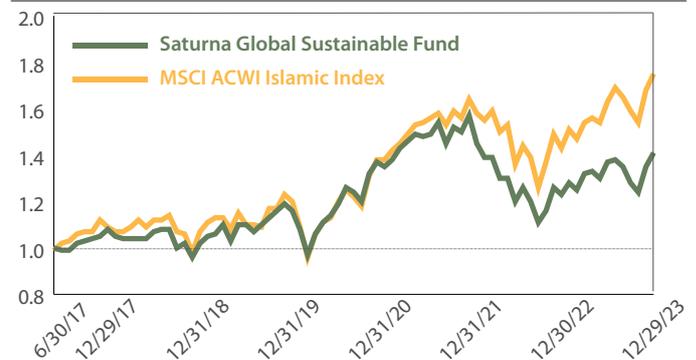
SECTOR ALLOCATION

Technology	28.06%	■
Health Care	22.02%	■
Industrials	11.74%	■
Consumer Discretionary	11.66%	■
Consumer Staples	10.26%	■
Materials	6.21%	■
Financials	3.68%	■
Communications	2.18%	■
Energy	0.73%	■
Cash & equivalents	3.46%	■



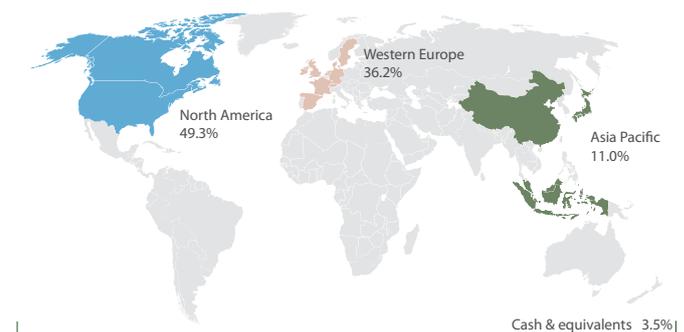
Source: Saturna Sdn Bhd Sector weightings are shown as a percentage of Fund assets.

COMPARATIVE PERFORMANCE



Source: Bloomberg

GEOGRAPHIC EXPOSURE



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

portfolio resilience under most market conditions and over different investment horizons. We will continue to deploy the available cash as opportunities arise.

AVERAGE ANNUAL TOTAL RETURNS ¹ (as at 29 Dec 2023)	Since Inception	1 Month	1 Year	3 Year	5 Year	YTD
Saturna Global Sustainable Fund	5.44%	4.39%	14.81%	0.99%	7.98%	14.81%
MSCI All Country World Islamic Index	8.93%	3.89%	22.52%	8.37%	11.86%	22.52%

Source: Bloomberg, Saturna Sdn Bhd

¹ Including Dividends

NOT PIDM INSURED | NOT BANK GUARANTEED | MAY LOSE VALUE



SATURNA GLOBAL SUSTAINABLE FUND

TOP 10 HOLDINGS

Microsoft	4.66%
Novo Nordisk A/S - B	4.06%
L'Oreal	3.80%
Industria de Diseno Textil	2.95%
TJX Companies	2.87%
Union Pacific	2.71%
Nintendo	2.69%
Infineon Technologies AG	2.68%
Johnson & Johnson	2.59%
SAP SE	2.54%

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

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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 (29-DEC-2023)	USD 48.47 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