

## Investment objective

SHUAA North America Equity Fund is an actively managed fund focused on maximizing capital growth through a diversified portfolio of Sharia-compliant North America equities across most sectors in that region. The fund targets high-quality, high-growth businesses that we believe are currently undervalued.

## Fund Manager Commentary

Equity market strength continued into the second half of 2023, with the US again leading the way with the S&P up 3%, the Nasdaq up 4% and the Russel 2000 up 6% as the rally begins to increase in breadth. Elsewhere China finally rallied, rising 6%, as the government appears to be closer to significant stimulus to support their slowing economic recovery. Europe and Japan also rose a healthy 2% over the month. Whilst technology continues to do well, the best sectors this month were more cyclical in nature such as financials, energy and materials. These are being boosted by evidence that inflation is slowing without having to inflict significant damage on the economy. Hopes for the end of the interest rate cycle with growth likely to accelerate from here is seeing some rotation into those sectors best placed to benefit from a better macro environment.

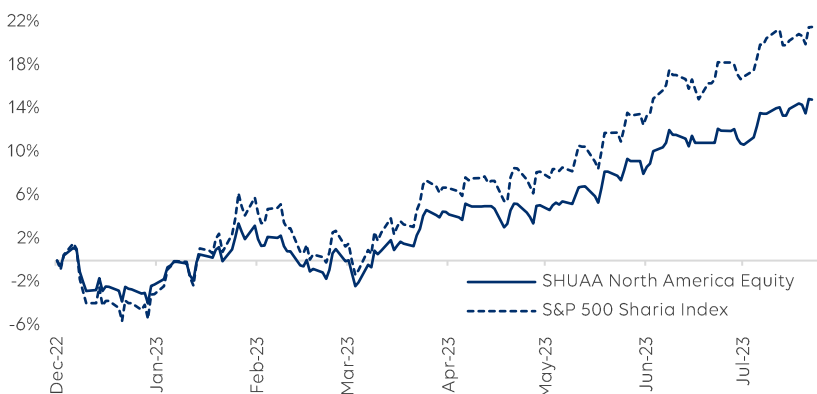
Cyclical stocks such as Conocco and Freeport that produce oil and copper were amongst the portfolios best performers due to improving economic growth prospects driving up commodity prices. Also, many tech names still performed well with the likes of Adobe rallying 12% due to rising optimism over its ability to raise prices for AI driven products. Semiconductors also began to perform better as it appears that the inventory correction that we have seen since the end of the pandemic is passing and a period of stronger demand could be close. On the other hand, as optimism has built around inflation being slowed without causing much economic damage, those high quality, defensive sectors such as Healthcare and Staples have continued to lag the rising market. In many cases this is despite very strong growth in sales and earnings as they benefit from higher prices yet easing cost inflation. However, cyclicals and tech stocks are current market favourites, so these are being ignored for now.

Equity markets are now expensive, particularly in the US, and as such are vulnerable to a correction if rates must rise even further or economic growth slows sharply. In this case those defensives that have lagged the current rally would perform well. However, if the current view that the US economy may be close to reaccelerating with much lower inflation proves to be correct, then the trends in August should persist.

## Return Statistics

	MTD	3M	6M	YoY	YTD	Inception
SHUAA North America Equity	2%	9%	14%	N/A	18%	15%
S&P 500 Shariah Index	3%	12%	19%	23%	26%	22%

## Fund Returns Since Inception



## Fund Facts

Inception Date	Dec 2022
Domicile	Abu Dhabi Global Markets
Fund Currency	USD
Asset Class	Equities
Geography	North America
Type	Islamic
ISIN	AE000A3CSWS2
Number of Holdings	29
Subscriptions/Fees	Daily / 0%
Redemptions/Fees	Daily / 0%
Leverage	0%
TER / Management Fee	2.0% / 1.5%
Fund Manager	Jacob Robbins
Investment Manager	SHUAA GMC Limited

## Portfolio Statistics

Fund AUM	\$25.7m
NAV per Share	114.8

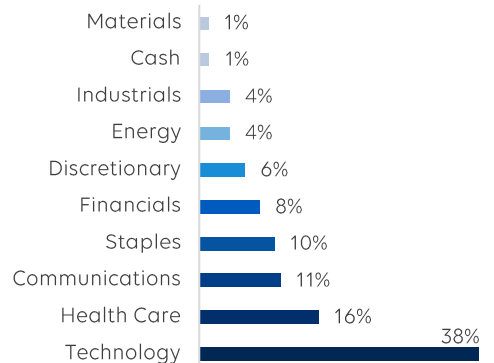
## Performance

Annualised return	23.9%
Sharpe ratio	2.0
Tracking error	4.9%

## Regional Allocation



## Sector Allocation



Top Five Holdings		Fund Metrics		Sector MTD Performance	
Microsoft	12.5%	Dividend Yield	1.2%	Energy	7.3%
Apple	10.0%	PB (12m Forward)	5.8x	Communications	6.7%
Alphabet	8.3%	PE (12m Forward)	23.6x	Financials	4.7%
Amazon	4.4%	EV/EBITDA (12m Forward)	16x	Materials	3.4%
P&G	3.9%	RoE	47.8%	Industrials	2.9%
				Technology	2.6%
				Discretionary	2.4%
				Staples	2.0%
				Health Care	0.9%

Top Five Performers (July)	
Wolfspeed	18.6%
Marqeta	14.6%
ConocoPhillips	13.6%
Freeport-McMoran	12.0%
Adobe	11.7%

Bottom Five Performers (July)	
Merck	-7.6%
Stryker	-7.1%
Waste Management	-5.6%
TSMC	-1.8%
Microsoft	-1.4%

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