

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

December was yet another good month for equities capping off an extremely strong year of returns. A further leg down in bond yields was supportive for risk assets. The S&P rose 4.4%, the Nasdaq rose 5.5% and the Russel 2000 rose another 12%, taking the 2 month move to 22%. On a sector basis, industrials were the strongest rising 6.9%, followed by Communication Services up 6.1% and Financials up 5.3%. Only Energy fell, down 0.2%. Interestingly some technology stocks for once underperformed as the market looked to rotate into more cyclical sectors on expectations of lower interest rates acting as a boost to the economy.

Amongst the best performers were AI related names such as Elastic jumping 40% as evidence that AI enabled search products were driving better than expected revenue growth at higher profitability levels. Broadcom has also been strong all year but rallied again on further evidence that interest in AI is boosting their growth. Wolfspeed rallied 18% as the market focuses on their longer-term growth potential from providing materials for electric vehicles and worries less about short term teething problems in their new production facilities. Marqeta benefited from the better risk environment as the fintech stock continued to bounce off the back of a strong outlook for growth in alternative online financial products.

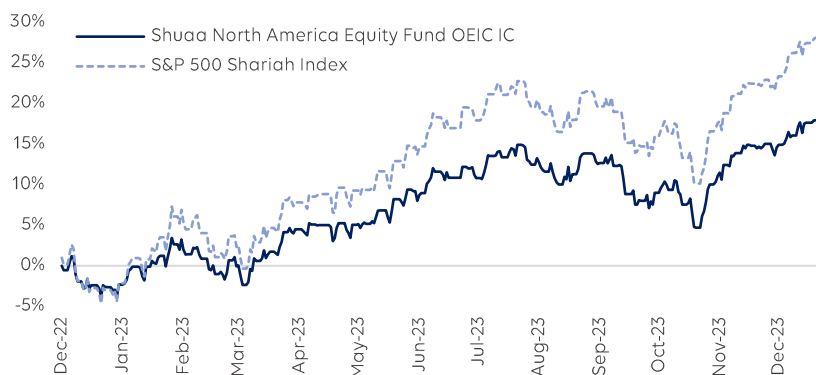
On the downside Pfizer continues to struggle as they adjust to life after the windfall, they received from their covid vaccine and treatments comes to an end, falling 5%. After a reset in revenue expectations and historically low valuations, 2024 should be a better year for both Pfizer and the healthcare sector overall after a disappointing 2023. Equally consumer staples have had a relatively weak year despite generally strong revenue and earnings growth. The likes of P&G and Pepsi should see improved relative performance as the sector trades at a discount to the market, which is a rarity, and tends to perform well when economic growth is slowing as is expected into 2024.

As we enter the new year, we would expect technology to continue to perform due to growth optimism around AI and digitalisation. Also, we think that higher quality, more defensive names in sectors such as Staples and Health will do better as economic growth slows. Cyclical that have rallied hard recently may see earnings disappoint however so we think there will be a more attractive entry point for these types of companies later in the year.

Return Statistics

	MTD	3M	6M	YoY	YTD	Inception
SHUAA North America Equity	2.6%	9.0%	4.9%	20.9%	20.9%	17.7%
S&P 500 Shariah Index	4.4%	11.3%	6.8%	31.6%	31.6%	27.7%

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	30
Subscriptions/Fees	Daily / 0%
Redemptions/Fees	Daily / 0%
Leverage	0%
TER / Management Fee	2.0% / 1.5%
Fund Manager	Jacob Robbins
Co Fund Manager	Aarthi Chandrasekaran
Investment Manager	SHUAA GMC Limited

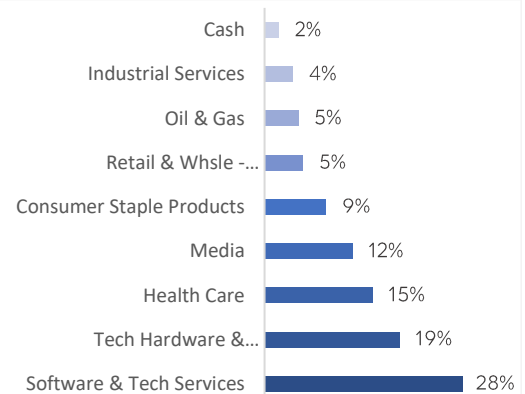
Portfolio Statistics

Fund AUM	\$26.5m
NAV per Share	117.7
Performance	
Annualised return	Nm
Sharpe ratio	1.1
Tracking error	4.4%

Regional Allocation



Sector Allocation



Top Five Holdings (Excluding cash)	
Microsoft Corp	11.9%
Apple Inc	8.2%
Alphabet Inc - CL A	8.1%
Amazon.com INC	5.6%
Nvidia Corp.	4.6%

Fund Metrics	
Dividend Yield	1.6%
PB (12m Forward)	12.6x
PE (12m Forward)	23.9x
EV/EBITDA (12m Forward)	16.9
RoE	46.2%

Sector MTD Performance	
Real Estate	8.0%
Industrials	6.8%
Consumer Discretionary	6.1%
Financials	5.3%
Communication Services	4.8%
Materials	4.3%
Health Care	4.1%
Information Technology	3.8%
Consumer Staples	2.4%

Top Five Performers (December)	
Elastic NV	40.2%
BROADCOM INC	20.6%
Wolfspeed Inc	18.0%
Nutanix Inc	10.7%
Marqeta Inc- A	9.9%

Bottom Five Performers (December)	
PFIZER INC	-5.5%
PROCTER & GAMBLE	-4.5%
EXXON MOBIL CORP	-2.7%
Adobe Systems Inc	-2.4%
Microsoft Corp	-0.8%

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