

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

Volatility spiked this month as markets rotated from the technology sector that has led gains for almost 2 years now and into smaller companies. Expectations that the Fed will soon begin to cut interest rates and that this will enable the US economy to avoid a downturn drove this change in market leadership. Whilst markets were volatile the S&P did manage to eke out a 1% gain over the month, but the rotation could be seen in the Nasdaq falling 1.6% but the Russell 2000 index of smaller companies jumping over 10%. Most sectors outperformed given the underperformance of the largest sectors such as technology and communication services (down over 4%). The best were financials up 6% and Industrials up 4%, both set to benefit from an economy that can continue to grow as interest rates fall.

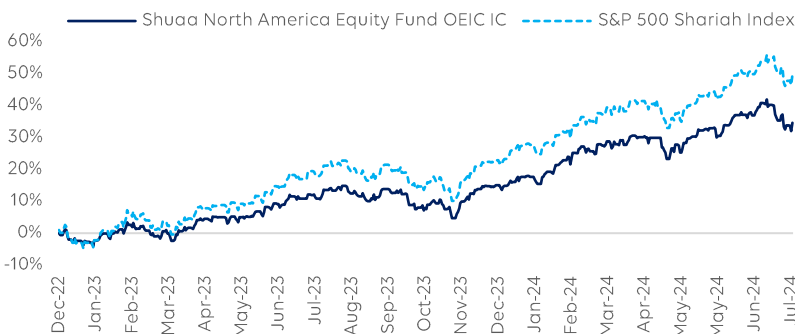
The change in market leadership was reflected in the individual stock performances over the month with the funds best performers coming from some high-quality defensive sectors like healthcare, including Thermo Fisher and Danaher both up 10.9%, Pfizer 10.6% and J&J climbing 8%. Also, some more economically sensitive companies such as Mastercard and Visa, up 5.3% and 1.2% respectively rose on a more optimistic market take on the US economy. On the downside were any businesses reporting disappointing outlooks during the recent results season. The market has been in no mood to tolerate any negative commentary over demand, pricing and margins. This can be seen in Merck falling 8.6% as Chinese weakness disappointed despite strong numbers elsewhere for the cancer drug manufacturer. The fund also has a small position in CrowdStrike that fell heavily on its role in a partial global technology shutdown due to a faulty software update. Large cap technology struggled despite reporting continued strong growth. Alphabet and Microsoft fell 5.8% and 6.4% even though the growth in their cloud businesses continues to be strong. Positioning in these stocks has become very overweight so some profit taking was probably overdue.

Overall, the outlook for the market has become more difficult as the valuations of the large technology stocks are now beginning to weigh on their performance, and despite hopes that the US will avoid a downturn, the number of companies reporting deteriorating conditions suggests otherwise. We continue to think that the market will reward those technology stocks that are reporting strong revenue and earnings growth regardless of the economic conditions, even if they are vulnerable to rotation in the short term. We would also continue to favor high quality defensive stocks in the health and staples sectors which should outperform in more difficult market conditions.

Return Statistics

	MTD	3M	6M	YoY	YTD	Inception
SHUAA North America Equity	-1.7%	7.4%	10.7%	17.2%	14.3%	34.6%
S&P 500 Shariah Index	-0.1%	10.4%	15.3%	21.9%	17.2%	49.7%

Fund Returns Since Inception



*Performance Fees of 15% charged since inception until June 2024

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 / Mgmt Fee	1.9% / 1.5%
Performance Fee	Zero
Fund Manager	Jacob Robbins
Co Fund Manager	Aarthi Chandrasekaran
Investment Manager	SHUAA GMC Limited

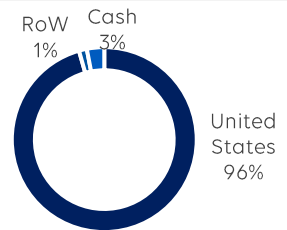
Portfolio Statistics

Fund AUM	\$29.9m
NAV per Share	134.6

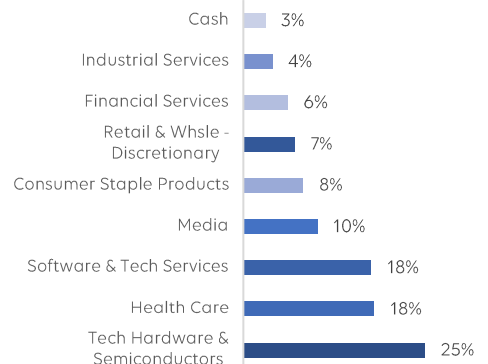
Performance

Annualised return	19.7%
Sharpe ratio	1.5
Tracking error	3.7%

Regional Allocation



Sector Allocation



Top Five Holdings (Excluding cash)		Fund Metrics		Sector MTD Performance	
Microsoft Corp	11.1%	Dividend Yield	1.2%	Real Estate	7.1%
Apple Inc	10.6%	PB (12m Forward)	17.9x	Utilities	6.7%
Nvidia Corp.	9.4%	PE (12m Forward)	24.1x	Financials	6.3%
Amazon.com INC	7.4%	EV/EBITDA (12m Forward)	17.8x	Industrials	4.8%
Alphabet Inc - CL A	7.3%	RoE	56.4%	Materials	4.3%
				Health Care	2.5%
				Energy	2.0%
				Consumer Staples	1.8%
				Consumer Discretionary	1.6%
				Information Technology	-2.1%
				Communication Services	-4.2%

Top Five Performers (July)	
THERMO FISHER	10.9%
DANAHER CORP	10.9%
PFIZER INC	10.6%
Johnson & Johnson	8.0%
Apple Inc	5.4%

Bottom Five Performers (July)	
Crowdstrike Holdings Inc	-39.5%
Wolfspeed Inc	-17.2%
ELI LILLY & CO	-11.2%
Nutanix Inc	-11.1%
Merck & Co Inc	-8.6%

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